

## SENATE.

TUESDAY, December 9, 1919.

(Legislative day of Monday, December 8, 1919.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

WILLIAM P. DILLINGHAM, a Senator from the State of Vermont, appeared in his seat to-day.

## RAILROAD CONTROL.

The Senate resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. CUMMINS. Mr. President, on further reflection I have concluded that so far as I am concerned I am quite willing that the motion of the Senator from Wisconsin [Mr. LENROOT] shall prevail, and I am very glad to have the bill returned to the Committee of the Whole.

The VICE PRESIDENT. The Chair does not believe that that can be done before the roll is called, as the yeas and nays were ordered on the question.

Mr. CUMMINS. The yeas and nays were not ordered on the motion.

The VICE PRESIDENT. The Chair understands that they were ordered on the question of referring the bill back to the Committee of the Whole.

Mr. JONES of Washington. I ask unanimous consent to vacate that order.

The VICE PRESIDENT. Without objection, it is vacated, and the bill is back in Committee of the Whole.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Elkins	Lodge	Sheppard
Brandeggee	Fernald	McNary	Sherman
Culbertson	Hale	Moses	Smoot
Cummins	Jones, Wash.	Myers	Spencer
Dial	Keyes	Page	Thomas
Edge	Knox	Phipps	Wadsworth

Mr. SMOOT. The senior Senator from Indiana [Mr. WATSON], the junior Senator from Indiana [Mr. NEW], and the senior Senator from Kansas [Mr. CURTIS] are detained from the Senate on official business.

The VICE PRESIDENT. Twenty-four Senators have answered the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. BECKHAM, Mr. CAPPER, Mr. CHAMBERLAIN, Mr. COLE, Mr. FEELINGHUYSEN, Mr. JOHNSON of South Dakota, Mr. KELLOGG, Mr. LENROOT, Mr. MCKELLAR, Mr. NELSON, Mr. NORRIS, Mr. OVERMAN, Mr. STERLING, Mr. SWANSON, Mr. TRAMMELL, Mr. UNDERWOOD, and Mr. WILLIAMS answered to their names when called.

Mr. GAY entered the Chamber and answered to his name.

Mr. MYERS. The Senator from Delaware [Mr. WOLCOTT] is detained from the Senate on official business.

Mr. SHEPPARD. The Senator from Arizona [Mr. ASHBURST], the Senator from Nebraska [Mr. HITCHCOCK], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Kentucky [Mr. STANLEY] are absent on official business.

Mr. UNDERWOOD. I wish to announce that my colleague, the senior Senator from Alabama [Mr. BANKHEAD], is detained on official business.

Mr. WALSH of Montana. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is detained from the Senate on account of the illness of his brother.

Mr. GAY. I wish to announce that the senior Senator from Louisiana [Mr. RANDELL] is necessarily absent. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Forty-two Senators have answered to the roll call. There is not a quorum present.

Mr. SMOOT. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. McCORMICK, Mr. WALSH of Montana, Mr. KING, Mr. KIRBY, Mr. POMERENE, Mr. LA FOLLETTE, Mr. WATSON, Mr. CURTIS, Mr. NUGENT, Mr. SUTHERLAND, Mr. HARRISON, and Mr. STANLEY entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-four Senators have answered to the roll call. There is a quorum present.

## ANNUAL REPORT OF THE ATTORNEY GENERAL.

The VICE PRESIDENT laid before the Senate the annual report of the Attorney General of the United States for the year 1919, which was referred to the Committee on the Judiciary.

## PETITIONS AND MEMORIALS.

Mr. DIAL. I have received from Dr. Watson, secretary of the war work commission of the Methodist Episcopal Church South, of Washington, D. C., resolutions concerning the treaty of peace and league of nations, which I ask to have printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

## RESOLUTIONS CONCERNING THE TREATY OF PEACE AND LEAGUE OF NATIONS.

"We stand to-day little more than a year removed from the date of the armistice—November 11, 1918—that marked the beginning of the successful termination of the greatest war of world history. In this awful conflict of the nations our country bore a most honorable and heroic part. Our sons leaped to the colors with wonderful enthusiasm; our people everywhere consecrated their all to the high purposes for which America entered the war; our ministers offered themselves without regard to sacrifice that they might serve our sons in camp and field, minister to them in service, bury them when dead, mark their graves, and comfort the loved ones bereft. Many of our ministers and consecrated laymen gave themselves wholly to service as soldier pastors, Young Men's Christian Association secretaries, Red Cross and all manner of welfare and relief work; while our women, young and old, at home and in the field, gave themselves in an unparalleled service to ameliorate the horrible conditions of war.

"Many priceless lives were given to accomplish the great ends of truth and righteousness for which we fought. These willingly laid down their lives for a cause so high, noble, and Christ-like. They sleep across the seas amid the flowers of Flanders, and their graves are kept with loving care by those who were delivered from destruction by their valor. Others no less glorious in their sacrifice fell victims to disease in the camps, on the seas, or beyond. We cherish the memory of all as hallowed, forever immortal, in the sacrifice they made for world freedom.

"The survivors have returned to us with victory upon their banners. We give them glad welcome, and forever cherishing the memory of their valor and devotion to justice and freedom winning the applause of the world, we join with our returned sons in the great reconstruction made possible by them.

"We may never know how much of the glorious victory of our armies was due to the cooperation of the church, but the power of this divine agency has been abundantly and gratefully acknowledged by the Christian men who led our Army to battle and to victory. While we may not yet have sufficient perspective to estimate the hand of God in it all, and the passing years may demonstrate more fully and clearly the divine hand and purpose, already those who have eyes to see the movements of spiritual forces must see clearly the hand of God in gracious protection and in the final decision of His will to bring a righteous peace to the earth. When we were in the midst of the conflict the church uttered her voice in no uncertain sound, and with the command of spiritual authority bade her sons go forth to battle in the strength of her Lord.

"We would here review some facts bearing upon the church as an instrument of God in bringing peace. The year 1918 opened with the world in terror lest the aims of Germany be accomplished, the struggle of the Allies lost, and high principles of freedom perish. January 8, 1918, President Wilson, animated by the same high principles that had guided him throughout the terrible conflict, gave out the now world-famous 14 points of peace. February 15 Germany resumed aggression against Russia. April 14, showing the desperate character of the situation, the allied armies of France and England called Gen. Foch to the command of both armies as general in chief. May 25 German U-boats sunk 19 coastwise vessels, and May 27-30 German armies overran Chemin des Dames, enveloped Soissons, reached the Marne at Chateau-Thierry, divided the French and English Armies, put the English Army to fighting with backs to a tottering wall, and occupying both sides of the Marne were shelling Paris with a long-distance gun, and the world was paralyzed with horror at the thought of the end.

"But the American soldiers were being landed in France in such numbers as to make the world marvel. At this moment of supreme crisis May 30 was fixed as a day of humiliation and prayer to God by order of Congress and presidential proclamation, and the noon hour of each day was soon thereafter fixed as an hour of prayer. June 1 American troops went into action.

June 6-12 the Second Division of the American Army, including the American Marines, bent back the German lines at Chateau-Thierry and started the retreat of the German hordes that was kept up without real break until driven within their own territory, and an armistice was sought by Germany. October 14 Germany made overtures of peace to President Wilson, but was positively informed by him that there could be no peace until Kaiserism was ended. October 19 Austria's offer of peace was rejected, but October 23 President Wilson, standing absolutely alone and against the advice of his Cabinet, of Congress, and of popular feeling, made reply to Austria's further overtures, standing upon the original 14 points, but referring the decision to the Allies. This resulted in peace with Austria, after which Germany was compelled to accept terms, and the armistice was signed November 11, 1918. Thus, clearly through the church, and through a man born in a manse, reared in the faith and true to its high principles, not only was peace made but the lives of multiplied thousands of our sons saved who otherwise must have been sacrificed before the strong fortifications of Metz could have been taken.

"We are not willing to believe as we study these providential facts marking the hand and will of God that our high ends and God's gracious purpose will have been accomplished in a mere temporary victory over our enemies. Our President, our sons, we all, we confidently believe, had enshrined in our hearts the great principles of universal justice learned at the altar of the church of Christ and in our Christian homes. For these high things we consecrated all and demonstrated that consecration in deeds of physical valor and moral heroism that will be the theme of song and story to the end of the ages. It remains now for this Christian Nation to erect to the memory of those who died and to the honor of those who came back to us from the gates of death a nobler monument than a passing shout or an arch of triumph. The world lies plastic to our hand. It must be made anew. For the first time in the history of the world the statesmen of Christian nations have been moved to look upon the world's needs, and have the opportunity to establish in it a new order patterned after the teachings of the Prince of Peace. The peace conference at Versailles, led by our great President, and influenced by the splendid ideals to which he consecrated all his masterful powers at tremendous cost, brought forth a treaty that embodies in a league of nations the nearest approach to the ethics of the New Testament ever promulgated in the history of nations. It is the first attempt to apply to the world in political relations God's thought for the world. It sets forth the divine plan in organized political life that the strong protect the weak, and looks toward the expression of the world's conscience in the dealing of one nation with another. It is an application to practical international politics of the Sermon on the Mount and of the supreme principle enunciated by Jesus, 'Whosoever loveth his life shall lose it.'

"We covet for our Nation the supreme distinction of transmuting into international custom the high ideals of our gospel. While we would not be impatient with any reasonable delay on the part of those representatives of our Government who are charged with the difficult task of consideration of the treaty and who would and should give the closest scrutiny to this momentous document establishing a great spiritual venture, we are disappointed that agreement has not been reached and that the future of this great document now appears in hazard.

"Believing that delay in reaching such agreement as will permit the adoption of the treaty with the league of nations without resubmission to the allied powers in peace conference will not only prevent speedy reconstruction in our own country but will breed incalculable disaster at home and throughout the world; and

"Believing that failure on the part of the Senate of the United States to reach an agreement will seriously embarrass this country in international relations, in that this Nation would thus be left without any pact or agreement to cover business relations with Germany; would be called upon to deliver all interned German ships and alien property into the hand of the Allies without power to call for return of property of this country in German hands; that all claims for damages would be practically nullified without recourse to war again with Germany; that the United States would thereby be robbed of the right of participation or representation on the reparations commission; would have to submit any separate treaty negotiated to the other allied powers for ratifications, thus losing prestige and finally holding up the final readjustment of the war-torn world conditions, and possibly plunging the world again into war before the desired ends for which we fought are accomplished: Therefore

"Resolved (1), That we urge the Senate of the United States, as that great body reassembles December 1, to immediate con-

sideration of the great document of the treaty and the league of nations in such spirit of statesmanship as shall make possible a harmonious conclusion in the adoption of the treaty with such reservations as will not in any way weaken the high purposes of that document or make necessary its withdrawal or its resubmission.

"Resolved (2), That should no conclusion have been reached prior to that time, Sunday, December 14, be set apart throughout this conference as a day of special prayer for divine guidance in leading our Senate to a conclusion in harmony with God's will and purpose, and that should no agreement be reached prior to that time effort be made to have all churches throughout our country on Christmas Day, December 25, and on the Sunday of Christmas week, December 28, make special prayer for divine guidance that such conclusion may be speedily reached as will accomplish the will of God in this crisis of the nations.

"Resolved (3), That we assure President Wilson of our great appreciation of the service he has rendered at such cost to himself in behalf of the world in striving to bring the ideals and principles of the word of God into international relations, and that we earnestly pray God's blessing upon him in speedy restoration to perfect health, that he may lead on to fullest realization of the holy purposes for which our country gave her best."

Mr. CAPPER presented a memorial of sundry citizens of Isabella, Okla., remonstrating against universal military training, which was referred to the Committee on Military Affairs.

He also presented a petition of Victor Post, No. 293, Grand Army of the Republic, Department of Kansas, of Fort Dodge, Kans., praying for the enactment of legislation granting increased pensions to veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a memorial of Lodge No. 569, Benevolent and Protective Order of Elks, of Iola, Kans., remonstrating against the spread of disloyalty in this country and pledging allegiance to the cause of law and order, which was referred to the Committee on Education and Labor.

Mr. KIRBY. I ask to have inserted in the Record resolutions adopted by Lodge No. 380, Benevolent and Protective Order of Elks, of Hot Springs, Ark., favoring the deportation of undesirable aliens.

There being no objection, the resolutions were referred to the Committee on Immigration and ordered to be printed in the Record, as follows:

"BENEVOLENT AND PROTECTIVE ORDER OF ELKS, No. 380,  
Hot Springs National Park, Ark.

"Be it resolved by Hot Springs Lodge, No. 380, of the Benevolent and Protective Order of Elks, That we view with deep concern the spread of disloyalty and of seditious sentiment promulgated by syndicalists, I. W. W.'s, and the Bolsheviks.

"We believe that the time has arrived when Americans should assert themselves and drive from these shores all disloyal aliens and adequately punish those who betray their country by disloyal acts. We hereby call upon the United States Congress to immediately enact a law providing for the summary deportation of every alien in this country who is a member of the I. W. W. or any other organization of like teachings and tendencies;

"That the law should further provide for the immediate cancellation of the citizenship papers of any naturalized citizen who shall affiliate with any such organization, and for drastic punishment of all persons who belong to or uphold the doctrines of such organizations.

"We believe that no person should be permitted to issue or to circulate any writing or pamphlet which has for its apparent object the undermining of American institutions or the inciting of rebellion.

"We further demand that Congress forthwith appropriate sufficient money to carry forward properly and promptly the deportation of undesirable aliens; be it further

"Resolved, That the entire membership of this lodge does hereby tender its services to the United States Government for any assistance which the said Government may desire.

"It is ordered that a copy of these resolutions be forwarded to the Senators and Representatives from this State in Congress, and to the Tacoma Lodge, No. 174, Benevolent and Protective Order of Elks."

Mr. WARREN presented a petition of the Business Men's Association of Cody, Wyo., praying that an increased appropriation be made for the United States reclamation fund, which was referred to the Committee on Appropriations.

He also presented a petition of the Alfalfa Commercial Club of Washakie County, Wyo., praying for the enactment of legislation for the prevention of strikes in the future, which was referred to the Committee on Education and Labor.



## DISTRICT WATER SUPPLY.

Mr. SHERMAN. I submit a report (No. 328) from the Committee on the District of Columbia relative to the investigation of the subject of an increase of water supply in the District of Columbia. It is on the bill (H. R. 1713) authorizing and directing the Secretary of War to appoint a commission to investigate and report upon the available sources of water supply for the District of Columbia.

The VICE PRESIDENT. The bill will be placed on the calendar.

## HIGH COST OF LIVING IN THE DISTRICT OF COLUMBIA.

Mr. SHERMAN. I also submit a report (No. 328) from the Committee on the District of Columbia on the investigation of the high cost of living in the District, which began under a resolution of July 15 last. This report is presented on behalf of the committee, and if any member of the Committee on Printing is present I wish to ask that there be printed for the use of the Senate document room 2,000 additional copies of the report. There have been considerable requests from outside for copies of the report.

Mr. SMOOT entered the Chamber.

Mr. SHERMAN. The Senator from Utah [Mr. Smoot] has just come into the Chamber, and I desire to repeat the request which I have made for the printing of 2,000 additional copies of the report made under the resolution for an investigation of the high cost of living in the District of Columbia. I repeat, there have been considerable requests for copies of the report, but I think the printing of 2,000 additional copies will answer all purposes.

Mr. SMOOT. I have no objection to that request, Mr. President.

The PRESIDING OFFICER (Mr. WALSH of Montana in the chair). Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

## BILLS INTRODUCED.

By Mr. KNOX:

A bill (S. 3506) granting an increase of pension to Albert B. Lawrence (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3507) to limit the size of newspapers and periodicals entitled to the privileges of the second-class mail rate; to the Committee on Post Offices and Post Roads.

By Mr. REED:

A bill (S. 3508) to purchase a site for a United States post-office building in the West Kansas Addition to the city of Kansas City, Mo.; to the Committee on Public Buildings and Grounds.

## COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. FERNALD submitted the following resolution (S. Res. 253), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the resolution of the Senate, No. 97, agreed to July 1, 1919, authorizing the Committee on Public Buildings and Grounds of the Senate, or any subcommittee thereof, to send for persons, books, and papers and to report such hearings as may be had in connection with any subject which may be before said committee, or any subcommittee thereof, be, and the same is hereby, amended to empower said committee to sit and act at such time and place as it may deem necessary, the expenses of travel incident to the sessions of said committee, or any subcommittee thereof, to be paid from the contingent fund of the Senate.

## RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 3288) further to regulate commerce among the States and with foreign nations, and to amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. JONES of Washington. I send to the desk sundry amendments which I desire to offer to the pending bill and which I was preparing when the bill reached the point of passage yesterday afternoon. I ask that the amendments may be printed and lie on the table.

The PRESIDING OFFICER. The amendments will be printed and lie on the table.

Mr. LA FOLLETTE addressed the Senate. After having spoken for about two hours,

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER (Mr. SMITH of South Carolina in the chair). Does the Senator from Wisconsin yield to the Senator from Colorado?

Mr. LA FOLLETTE. I yield.

Mr. THOMAS. The Senator has been speaking now for nearly two hours, and I think it might be some relief to him to suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Harrison	McCormick	Sherman
Brandeggee	Hitchcock	McKellar	Smith, S. C.
Capper	Johnson, Calif.	McNary	Spencer
Chamberlain	Johnson, S. Dak.	Moses	Stanley
Cummins	Jones, Wash.	New	Sterling
Curtis	Kellogg	Norris	Sutherland
Dial	Keyes	Nugent	Thomas
Elkins	King	Overman	Trammell
Frelinghuysen	Knox	Owen	Wadsworth
Gay	La Follette	Phipps	Walsh, Mont.
Hale	Lenroot	Pomerene	Wolcott
Harding	Lodge	Sheppard	

Mr. WALSH of Montana. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of the serious illness of a near relative.

The PRESIDING OFFICER. Forty-seven Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Secretary called the names of the absent Senators, and Mr. KIRBY, Mr. SMOOT, and Mr. WATSON answered to their names when called.

Mr. BANKHEAD, Mr. BORAH, Mr. FALL, Mr. FERNALD, and Mr. PAGE entered the Chamber and answered to their names.

Mr. BANKHEAD. I wish to announce that my colleague [Mr. UNDERWOOD] is detained from the Senate on committee work.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present.

Mr. LA FOLLETTE resumed his speech. After having spoken altogether for nearly four hours,

Mr. THOMAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CAPPER in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ball	Hale	Lodge	Smith, S. C.
Bankhead	Harding	McKellar	Smoot
Beckham	Harrison	McNary	Sterling
Brandeggee	Hitchcock	Moses	Thomas
Capper	Johnson, Calif.	Myers	Trammell
Chamberlain	Johnson, S. Dak.	New	Underwood
Cummins	Jones, Wash.	Norris	Wadsworth
Dial	Kellogg	Overman	Walsh, Mont.
Dillingham	Kenyon	Owen	Warren
Edge	Keyes	Page	Williams
Elkins	King	Phipps	Wolcott
Fernald	Kirby	Pomerene	
Frelinghuysen	La Follette	Reed	
Gay	Lenroot	Sheppard	

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present.

Mr. DIAL. Mr. President, we have been waiting a good long while for this bill to come before the Senate to be acted upon. I have such a high regard for the committee that I dislike to differ with them in their conclusions. I have, of course, no criticism to make of their motives, but I differ with them in their conclusions and in the foundation of this bill.

We have tried Government operation, and I think it is generally conceded that it is a failure, not so much, however, as it appears upon the record. During the progress of the war the rates paid to the railroads for carrying soldiers were greatly reduced, and that went into the deficit. Not only that, but when the Government took charge of the roads they were in a very run-down condition, a very congested condition. It was some six months before an increase of rates was granted to the railroads. Not only that, but during the war we operated the roads not for profit but to win the war, and that was a sufficient consideration. It matters not whether we lost \$550,000,000 in the two years or did not lose it; we won the war, and that is what we were trying to do. It was not a question of running the roads economically; it was a question of getting the freight and the soldiers where we wanted them delivered. I believe in giving Government operation a fair trial, and giving it due credit for what it was entitled to; but outside of all that I think the consensus of opinion is against Government ownership or Government operation.

Now, Mr. President, we come down to the present bill. It occurs to me that this bill starts off out of tune. It is on the wrong basis. Of course, it is very much desired that we should get a bill that will be equitable to the owners of the railroads and will be just to the employees, and we would like to get the unsettled conditions that have prevailed in this country back to normal at as early a date as possible. I had hoped that this

bill would do it, but I feel that it is the most burdensome proposition that ever was presented to a United States Congress.

It starts off, Mr. President, on an ideal basis. It is a dream, as it were; it is an illusion to go ahead and undertake to say, as the bill does say practically, that every dollar invested in railroad property shall receive enough return to pay 5½ per cent interest on the actual value of the property.

Nothing is said in the bill as to how you shall get at the actual value of the property. We all know, or at least we were told, that heretofore the railroads were greatly burdened with watered stock, and all that kind of thing; but I need not go into all that now. We will just say to them: "Well, go and sin no more." If it is possible leave that out, but we must meet the conditions as they exist to-day.

This bill, as I understand, undertakes to let the roads make a return upon the actual value of the property; and it is one of the hardest things in the world to find out what the actual value of that property is. I believe that this Government has been trying to find that out for the last several years. It is not nearly through with the task now. I did not know at the time we passed the bill for valuing the railroad property of the country that it would do much good, but we have gone along with it. Before they got nearly through with the task, of course, the value of the property changes. It would cost now perhaps 50 per cent more to build a railroad than it would three or four years ago, and then the figures may vary considerably between now and the time they complete that estimate.

Not only that, Mr. President, but I can hardly see how it would be a practicable proposition for the Interstate Commerce Committee to fix the value of the property in order that this stipulated return may be made. They are very competent to deal with the question, but it seems to me that it would be impracticable for them to get at that.

Now, to say that it is desirable that every dollar's worth of property in the United States should receive a return equal to 5½ per cent of its actual value would be ideal. I would be very glad for every man in the United States to get a 5½ per cent return upon his money, or any other amount that would be adequate and just; but for the Senate to come here and say, "We now stamp a certificate of value upon every dollar invested in railroad property; we say that every dollar of that property is worth 100 cents," is entirely too advanced a proposition. We do not take into consideration whether or not it was necessary to build some of these railroads, we do not take into consideration whether it was necessary to maintain some of them, but we just go down and at one vote say that every dollar invested in railroad property in the United States is worth 100 cents, and by this bill we practically guarantee that it is worth 100 cents. We underwrite, as it were, the securities of the railroads of this country.

I have no ill will, Mr. President, against the railroads. In fact, I have no unkind feelings toward any investment. I feel rather favorable to railroads. We need them. But I must say that a great many errors have been committed in the name of interstate commerce in this country. We should not now, in this time of inflated values and in this period of hysteria, lose our judgment so much as to say that every road that has been built heretofore has been a good investment and that this Government should practically take it over.

I do not mean that the bill provides that the Government has to assume the debts of the roads; I do not mean that; but the bill does say that the Interstate Commerce Commission shall levy a freight rate sufficient to let the roads make a return upon their investment.

When we once take that step we practically guarantee, as far as we can by a moral obligation, that hereafter a freight rate will continue to be levied so as to let every dollar of investment and of value get a return for the balance of time.

Now, we let those railroads float their securities, and we encourage women and children and people who can not work, but who have means, to invest in railroad securities, and by this measure we will be in honor bound hereafter to keep up the freight rate to a sufficient amount to let them pay the 5½ per cent interest on that money. Every five years, I believe, they can revise it; but at the present time and for all future time we are committed to that policy.

We do not treat any other property that way in this country. When the war came on we told automobile factories to go and make trucks and munitions of war; we changed them over. We told cotton mills to change. I know of my own knowledge that the Government went to the cotton mills and said, "Make certain kinds of cloth and we will pay you so much for it," less than the market price. Yet the cotton mills did not complain. We went to the farmers and said, "Here, we want you to raise

wheat instead of cotton, or something else. We want you to raise hogs, whether it is profitable or not." And no good American citizen complained.

The railroads did not complain, as I say; but we are putting them up here now in a higher class. We are making them a class unto themselves. We are giving them special privileges over any other class of property in this country.

Furthermore, Mr. President, this would be done irrespective of whether or not that railroad ought to have been built, whether the railroad has been properly managed, whether it is necessary to the commerce of this country.

Then, Mr. President, I believe the bill is wrong in this, that it guarantees to the owner of that property a certain return upon the value of the property, irrespective of the use of the property. It does not say that you will give a return upon what is handled, the number of passengers it carries, or the freight that it handles; but it says, "We will pay you a certain per cent upon your property." It is like hiring a dray and saying to the drayman, "We will pay you so much on the value of your truck for a day, whether you haul 1 load or 10 loads." It is contrary to business principles, Mr. President. So I say it is on a wrong basis. That is one of the main objections I see.

It does say that after they have earned a certain amount a certain part shall be put into a sinking fund or some other fund and a certain part shall be turned over in another way to help out weaker roads.

That, Mr. President, is going into paternalism. It is paternalism run mad. Not only that, but, to my mind, it is unconstitutional to take away from the railroads their well-earned receipts, to go to well-built and economically managed roads and say, "Here, you shall get so much upon your investment, and no more." I can not see it. I am somewhat of a lawyer, and although I do not profess to be a great constitutional lawyer, that does not sound constitutional to my mind.

It is certainly not for the best interests of this country that we destroy the initiative, the energy of people, their determination to make their property succeed and to get the greatest return upon it. When you say, "You shall get so much and no more; the balance will be turned over to a weaker road to help bring that up," it reverses all the teachings we have listened to for these 70 years of railroad operation. It destroys the inducement to succeed and try to excel that brought this country up to where we are now. We have developed the marvelous resources of the country by individual effort, and I would regret to see anything done that would put a stop to that effort.

Here we are dealing with the biggest proposition in the United States—the railroads. This is a most comprehensive bill, a bill dealing with the most comprehensive question that has ever been brought before the country, and now if we go and say to the railroads, "You shall not make any more than a certain amount," we will encourage extravagance in the management and we will destroy the inducement to build new roads and to develop other sections of our country. We have plenty of territory in this country that is not scratched by the railroads yet, and I do not see how, if this bill is passed, there will ever be another mile of railroad built. In fact, we have built very few miles of railroad since 1912.

That, to my mind, Mr. President, is a fatal defect in the bill. If we destroy an investment, as I say, the desire to succeed, the effort to give accommodation to the traveler and the shipper, to encourage prompt delivery, and things of that sort, then we have destroyed the great value of the railroads of this country. We shall have made drones out of the people who manage the railroads if we establish this principle here.

Not only that, Mr. President, but the American people are imitative. We imitate each other in dress, we imitate each other in architecture, and in other things; and when we stop railroad building here, and the inducement to build railroads, we are going to discourage the desire to build mills, to develop mining, and to carry on our wonderful development of this magnificent country of ours. It would be a sad day for the ingenuity, the intelligence, and energy of the American people, to my mind.

Now, of all times in our history, Mr. President, we ought to be working longer and we ought to be working harder and we ought to be saving more so as to be able to develop our trade and give employment to our people. When we establish this principle in regard to the railroads, I am afraid that it will be imitated by people who operate mills and are engaged in other enterprises. Therefore it would be a death knell to progress, as I see it.

Mr. President, I want every man in this country to have a fair opportunity to make his own fortune under the protection of the law. It is not the place of the Government to go into business. If a business is a legitimate one, it is the



province of the citizen to engage in it and not the business of the Government to compete with him. But this bill here is worse than governmental ownership. The Government guarantees the business and gets none of the profits.

Mr. President, this is too long a bill for discussion now in all its details. But the more I read it and think about it the less I am pleased with it. We have innumerable commissions provided for here. We take away from the directors their authority over the property and vest that authority in the board of transportation. The members of that board are to look after the details of the roads; they are to look after issuing the stock; they are to look after the helping of the weaker roads, and all that kind of detail, functions that ought to be exercised by the directors, and I am opposed to any proposition that would take the management of the property out of the hands of the people to whom it belongs and put it in the hands of somebody else.

The bill goes on and provides that there shall be two employees selected for the board of directors, men who have no financial interest in the property. That, Mr. President, is illegal in many States of the Union. In South Carolina you have to own stock in a corporation before you can become a director in it. Not only that, but to be a director in a national bank you have to own 10 shares of stock. You have to be a stockholder in it. The idea of taking away the control of property from the people to whom it belongs and turning it over to somebody else is revolting to my mind. That is not the way to encourage people to invest their money.

If the people in this country who had money were looking out for an investment, do you suppose that they would go and build a railroad or build a cotton mill or purchase a mine if they knew that they were to be told by the employees how many hours they would work, what output they would make, or what they should get for it? No. The capitalist would buy Government bonds. That is what I would do, instead of putting it in an enterprise where the management would be taken away from me and put into the hands of somebody else, and I think any other man who had any sense would do the same thing.

Mr. President, not only that, but the bill authorizes the formation of a wage commission, composed of four employees and four other men designated by the railroad company. They may go into a back room and fix higher wages or impose some other condition. The property has no representative there; it has nobody to speak for it. That committee goes then to the transportation board, a board the members of which are not directors. They are Government employees, and we have too many of those now.

Somebody would be appointed on that transportation board, some of these economic fellows whom you hear about, some fellow who talks about figures and who never earned a dollar and a half in the sunshine in his life. Yet, some long-haired, impracticable, visionary, ill-advised, good-meaning fanatic, with whom we have this country overridden to-day, will go and say that they should have higher pay, and bring up this brotherly love we are hearing of in every movement, and all that kind of slush, in the hysteria we are in. The owners of the road would have no say in that, the Interstate Commerce Commission would not have a veto upon it; but the employee and the Government's impracticable, visionary fellow would fix it up, and the Interstate Commerce Commission, under this law, would be compelled to levy a sufficient freight rate to pay the increased charges.

It is time, Mr. President, that the working people of this country, the people who do something, who have something, the people who pay taxes, were being heard.

I have no particular ill will against any class, but I am tired of hearing all the time of shorter hours, less work, and more pay. If we would follow the advice given by my friend the Senator from Montana [Mr. MYERS] yesterday in his admirable speech, this country would soon become normal and we would get back upon our feet; we would have our products for export, to fill our ships with; but as long as we are trying to work less with more pay, a kind of a tapeworm feeling, to get a dollar without equivalent labor, we will not be of any account. We will raise people in this country who are dependent, and not independent people.

Mr. President, the bill provides for yet another kind of a commission. There are so many that I can not keep up with them. I will not try to go into the details; it is too burdensome, and would take too much of the time of the Senate. But you can not turn around in Washington without running into a commission. I start out any morning and pretty nearly fall over a fellow talking about this or that commission. I want people to go home and go to work and be content with what they are getting. I want them to be in love with their work, and if you do not love your job, for God's sake resign it. You can quit and let somebody else have the position.

But, Mr. President, we are asked here to give the stamp of approval of the United States to every dollar invested or

alleged to be represented by values in railroad securities in the United States. Look at it, Mr. President. I ask to have inserted in the Record the quotations of railroad stocks in the paper to-day, to show you how low they are quoted. The railroads must be overcapitalized or the stock must be selling at a very low price. I quote some closing quotations of yesterday:

Stocks: Atchison, 85½; Atchison, Topeka & Santa Fe, preferred, 78; Atlantic Coast Line, 92½; Chicago & Eastern Illinois, 5; Chesapeake & Ohio, 56½; Cleveland, Cincinnati, Chicago & St. Louis, preferred, 67; Chicago Great Western, 8½; Chicago, Milwaukee & St. Paul, 37½; same, preferred, 55½; Chicago & North Western, 89½; Chicago, Rock Island & Pacific, 25½; same, 6 per cent preferred, 62½; Erie, 14; same, first preferred, 21; second preferred, 15½; Great Northern, 80½; Lake Erie & Western, preferred, 16½; Lehigh Valley, 42½; Minneapolis & St. Louis, 14½; Missouri, Kansas & Texas, 10; same, preferred, 14½; Missouri Pacific, 25½; same, preferred, 41; New York Central, 70; New York, New Haven & Hartford, 29½; New York, Ontario & Western, 17; Norfolk & Western, 99½; Norfolk Southern, 10; Northern Pacific, 81½; Pennsylvania, 41½; Pittsburgh & West Virginia, 78; Reading, 77½; Southern Railway, 22½; Texas & Pacific, 43½; Wabash, 8½.

Bonds: Atchison general fours, 77; Atlantic Coast Line first fours, 76½; Baltimore & Ohio convertible four-and-a-halfs, 56½; Central of Georgia consolidated fives, 84½; Central Pacific firsts, 75½; Chesapeake & Ohio convertible fives, 80; Chicago, Burlington & Quincy junction fours, 94½; Chicago, Milwaukee & St. Paul convertible four-and-a-halfs, 66½; Chicago, Rock Island & Pacific Railway refunding fours, 66; Chicago & North Western general three-and-a-halfs, 66½; Colorado Southern refunding four-and-a-halfs, 72½; Denver & Rio Grande refunding fives, 49½; Erie general fours, 43½; Great Northern first four-and-a-quarters, 83; Illinois Central refunding fours, 75½; Kansas City Southern refunding fives, 72½; Louisville & Nashville un. fours, 80½; Missouri, Kansas & Texas first fours, 59½; Missouri Pacific general fours, 56; Montana Power fives, 86; New York Central debenture sixes, 90½; Norfolk & Western convertible sixes, 104½; Northern Pacific fours, 77½; Northern Pacific threes, 54; Oregon Short Line refunding fours, 79; Pennsylvania consolidated four-and-a-halfs, 91½; Pennsylvania general fives, 90½; Reading general fours, 79½; St. Louis & San Francisco Railroad adjustment sixes, 57; Seaboard Air Line adjustment fives, 38½; Southern Pacific convertible fives, 107; Southern Railway fives, 85½; Southern Railway general fours, 60½; Texas & Pacific firsts, 84½; Union Pacific fours, 84½; Wabash firsts, 89½.

Not only that, Mr. President, but here and now, in this time of greatest inflated values in our history, after this war, when we all admit that everything is about 50 per cent higher than it has been heretofore or will be after a little while, we are asked to fix this rate.

Mr. President, I do not complain of the rate of 5½ per cent interest on money. If I could have gotten that rate on the amount I borrowed, I would be much better off to-day. I have been a pretty constant borrower for the last 30 years. But I do say, and I want to read to the Senate just a moment, that if you take the return from the railroads according to the chairman's speech you will develop this situation: He says they want to guarantee the freight—I do not mean guarantee it except by income; let them get enough freight to get 5½ per cent interest on the money. Three years before the war—

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Tennessee?

Mr. DIAL. Certainly.

Mr. McKELLAR. Does the Senator believe that the Interstate Commerce Commission will be compelled to raise the present very high rate in order to secure 5½ per cent?

Mr. DIAL. Absolutely. That is my understanding of the bill, that it gives them the power to do it.

Mr. McKELLAR. It is a mandatory provision that they can enforce in court?

Mr. DIAL. I think so. I think we have taken away from them all discretion.

Mr. McKELLAR. If the Interstate Commerce Commission fails or refuses to put in a rate sufficient to bring 5½ per cent, then they can file a petition in any United States court and mandamus the commission into producing the rate?

Mr. DIAL. I so understand the bill. According to the speech of the chairman of the committee, for three years previous to the war the No. 1 railroads of the United States made 5.2 per cent upon the value of their property. It is right interesting, though I never did like figures much, to look at some of these roads. Take the Southern Pacific, for instance; that earned

4.99 per cent. The Chicago Great Western earned 1.7 per cent, and various other roads earned various rates. I ask permission to insert this in my remarks, quoted from the report of the chairman of the committee on page 11, showing the incomes of the different roads in class 1 for three years previous to the war. There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

In the test period for ascertaining compensation under the act of March 21, 1918, the average net annual operating income of the class 1 railways was 5.2 per cent upon the aggregate property investment account. There are, however, wide differences when the individual carriers are considered. Under this average the New York Central System earned 6.09; the Pennsylvania Co., 6.26; the Pennsylvania Railroad, 5.36; the Delaware & Lackawanna, 7.54; the Erie, 3.56; the Baltimore & Ohio, 4.67; the Chicago, Burlington & Quincy, 7.02; the Chicago & North Western, 6.13; the Missouri Pacific, 4.43; the Union Pacific, 6.72; the Southern Pacific, 4.99; the Northern Pacific, 6.27; the Great Northern, 6.70; Atchison, Topeka & Santa Fe, 6.16; Chicago, Milwaukee & St. Paul, 4.71; Chicago, Rock Island & Pacific, 4.72; Chicago Great Western, 1.77; Chicago & Alton, 2.64; Western Pacific, 2.28; Colorado Southern, 3.04; Missouri, Kansas & Texas, 2.81; Texas Pacific, 3.76; Wabash, 2.91; Western Maryland, 2.58; New York, New Haven & Hartford, 5.96; Boston & Maine, 4.80; Cincinnati, Hamilton & Dayton, 1.95; Atlantic Coast Line, 5.76; Seaboard Air Line, 3.68; Southern Railway, 4.12; Louisville & Nashville, 6.32; Illinois Central, 5.48.

This statement shows that some are away down as low as 1.99 per cent, and yet we are asked to fix it at one move at 5½ per cent. I am not complaining of money at 5½ per cent myself.

Another part of this proposition is this: They say that is a class 1 railroad. I presume that is one of the most prosperous roads; I do not know. But the chairman of the committee does say further on in his report that "railroads carrying 30 per cent of the freight of this country before the war were not self-sustaining."

That is the remarkable part of this bill to me. We come to admit that practically one-third—I do not know whether as to mileage, but it does not make any difference whether it is mileage or quantity—of the railroads of the country before the war were bankrupt, and yet here now we are asked at one vote to make these roads solvent and make their value 100 per cent on the dollar, and guarantee a 5½ per cent return on that for the balance of all time.

Mr. KING. Will the Senator yield?

Mr. DIAL. Certainly.

Mr. KING. I would like the attention of the chairman of the committee or some member of the committee, with the permission of the Senator from South Carolina.

Mr. DIAL. I yield for that purpose.

Mr. KING. I do not understand that the bill guarantees 5½ per cent upon all roads that are denominated class 1. It takes the aggregate value of the roads as it shall be determined by the Interstate Commerce Commission within the respective districts and guarantees 5½ per cent interest upon the aggregate stock; but some of the roads within the district will in the future, as in the past, do the greater amount of work; they will carry the larger part of the commodities within the district, so that other roads perhaps will only get 2 or 3 per cent upon the value of their property. The larger roads will earn very much more, but the excess goes into the fund which has been described. Do I interpret the bill correctly?

Mr. CUMMINS. The Senator from Utah has stated the matter correctly. There is no guaranty in the bill at all. There is a declaration of public policy to guide the Interstate Commerce Commission, which is that the net annual operating income on all the railroad properties within a given district shall be as nearly as may be 5½ per cent upon the value of all the railroad property in that district. But when rates are so based one road may earn 8 per cent upon the value of its property just as heretofore, and another road may earn 4 per cent upon the value of its property as heretofore.

What the bill does which has never been done before is to take from the railroads which earn more than we regard as a fair return upon the value of their property, the excess, and put it in the Treasury of the United States for the purpose of supplying a fund with which the weaker, the poorer, railroads may be furnished with a credit. It is not given to the weaker railroads, but it enables them to borrow money in order to enlarge or better their facilities under circumstances that would not enable them to borrow money in the general market. That is the whole scope of the bill.

Mr. McKELLAR. Mr. President, will the Senator from South Carolina yield further?

Mr. DIAL. Certainly.

Mr. McKELLAR. I desire to call the attention of the chairman of the committee to the latter part of page 13 of the bill. As I understood the Senator, he said that the provision about 5½ per cent was a declaration of a policy and was advisory to the commission. If I understand the meaning of the English

language correctly, that can not possibly be true under the terms of the bill. I read—

Mr. CUMMINS. I did not say it was advisory to the commission. I said it was a declaration of public policy.

Mr. McKELLAR. And not a guaranty?

Mr. CUMMINS. It is not a guaranty. It can not be called a guaranty.

Mr. DIAL. It is a direction.

Mr. CUMMINS. It is a direction to the commission.

Mr. McKELLAR. I read the words of the bill, which I believe not only are a direction to the commission but are in such direct and positive language that it would require any court to which the matter might be appealed to issue a mandatory injunction to give such a rate as would produce the 5½ per cent. I read the language of the bill:

The commission shall—

"Shall"—there is no doubt about it—

The commission shall initiate, modify, or adjust rates, fares, charges, and classifications, as nearly as may be, so that the railway carriers as a whole allocated to each district and subject to this act shall earn an aggregate annual net railway operating income equal, as nearly as may be, to 5½ per cent upon the aggregate value, as determined in accordance with the provisions hereof, of the railway property of such carriers in the district held for and used in the service of transportation.

As I read that language I am compelled to the conclusion that it is an absolute guaranty enforceable in any court having competent jurisdiction.

Mr. CUMMINS. All I can say is that the lawyers upon the Interstate Commerce Committee do not agree with the Senator from Tennessee. It may be that the Senator from Tennessee is right about it, but that is not my opinion nor is it the opinion, so far as I know, of any of the lawyers upon the committee. However, that makes no difference. It is the intent of the bill that there shall be raised a revenue that will be equal to 5½ per cent upon the value of the railway property in a given district, and the merit of the bill can be tested by that assumption. I am sure that no member of the committee desires to escape from the responsibility of approving that proposition. If the Members of the Senate believe that 5½ per cent upon the value of the property which renders the service is too great a compensation for the use of the property, that is a matter for discussion and for settlement in the Senate, but there is no use to complicate it by the suggestion that resort can be had to the courts. I do not think there could be any such resort; but it makes no difference; we intend to try to raise 5½ per cent upon the value of the property which is devoted to the public service. If that is too much, it is for the Senate to express its judgment upon that point.

Mr. KING. The Senator's statement would seem to indicate that it is in perpetuity. As I read the bill, every five years thereafter the interest could be revised.

Mr. CUMMINS. Of course, that is true. There is no perpetuity in any bill. There is no talk about imposing conditions for all time. That is fanciful, to say the least. We have expressly provided that at the end of five years the Interstate Commerce Commission shall review the whole situation, and if it believes a 5½ per cent basis is too high it shall reduce it, and if it believes it is too low it shall raise it. There is no permanent condition being provided for here.

Mr. POMERENE. Mr. President—

Mr. McKELLAR. Will the Senator indulge me for just a moment?

Mr. DIAL. I will yield first to the Senator from Ohio.

Mr. POMERENE. I wish to suggest to the Senator from South Carolina [Mr. DIAL] and the Senator from Tennessee [Mr. McKELLAR] that if they have any notion that these railroads can be financed at less than an earning of 5½ per cent on the total railway valuation in their respective rate-making districts, I am satisfied that when they investigate it they will change their minds about it.

In the provisions in the bill for repayment to the Government of the money for which we have authorized the President to accept the notes of the companies, the Government is made to charge the railroad companies 6 per cent on that loan. That is not an unreasonable amount of interest to charge, and yet at the same time we say to the railroads, "You shall not earn on your property as a whole to exceed 5½ per cent."

Mr. DIAL. I do not say that.

Mr. POMERENE. That is the force of the Senator's position, nevertheless.

Mr. DIAL. Oh, no; not at all.

Mr. McKELLAR. If the Senator will permit me—

Mr. DIAL. Certainly.

Mr. McKELLAR. I want to ask the Senator from Ohio [Mr. POMERENE] and the chairman of the committee one question. The chairman of the committee says it is not a guaranty and



that it is not a mandatory provision, but that it was the intention of the committee and the lawyers of the committee to regard it as a declaration of policy. Is the Senator from Ohio or the committee willing to have it specifically stated in the bill that it is a declaration of policy?

Mr. POMERENE. It is a rule of rate making.

Mr. McKELLAR. Let us put it in the bill, then—a rule of rate making. Let us say what it is, and do not let us say "shall initiate," because when you use the language that is in the bill it is mandatory upon the commission, and any court will enforce it. I am convinced of that, the distinguished lawyers on the committee to the contrary notwithstanding.

Mr. CUMMINS. The Senator from Tennessee [Mr. McKELLAR] upon a moment's reflection will see that it is not susceptible of judicial enforcement. It is mandatory in a proper sense of that word because we intend that the commission shall do that thing. We do not attempt to conceal or avoid that fact. But the Interstate Commerce Commission must survey the situation and must look into the future; it must undertake to determine how much business shall be moved in the future for a year or two years. It must make up its mind, as best it can, with regard to the volume of commerce that will be moved upon the railways, and, taking all those uncertain things into consideration, it is charged with the duty of making rates that will create a net operating income of 5½ per cent upon the value of the property.

The Senator from Tennessee [Mr. McKELLAR], I am sure—for he is one of the best lawyers in this body—must at once see that it would be impossible for a court to declare what rate shall be fixed by the Interstate Commerce Commission in order to bring about the result which the proposed statute contemplates. May I add a word to the Senator from South Carolina while I am on my feet?

Mr. DIAL. Certainly.

Mr. CUMMINS. I have been very much interested in his discourse, and I want him to remember one thing; that is, that we have provided in this bill for a 5½ per cent basis upon the value of the railroad property that actually renders the service in transportation. The value of the property is to be determined by the Interstate Commerce Commission. The figures the Senator suggests with reference to the percentages of return in the test period of three years before the 1st of July, 1917, are comparisons with the property investment account of the railway. A great many people believe—and I am one of them—that the value of the railway property which renders the service—mark you, there is an immense outside or extrinsic investment in property which is not related to the work of transportation—I am one of the persons who believe that the Interstate Commerce Commission will find that the value of the railroad property which renders the service is much less than the property investment account. Therefore, when comparing percentages growing out of the test period with the percentages under this bill that fact ought to be borne in mind; and I have no doubt the Senator from South Carolina will have it in mind as he proceeds with his discussion.

Mr. DIAL. I desire to ask the Senator a question. I am not trying to find fault with the bill, but I am endeavoring to get a bill which we may all support. Will the Senator tell me upon what theory we can justify that feature of the bill which proposes to levy rates on the railroads in order to provide for the nonself-sustaining roads that carry 30 per cent of the freight? In other words, how can we justify the feature in this bill that proposes to take one road out of bankruptcy at the expense of other roads?

Mr. CUMMINS. Will the Senator again state the early part of his statement? I did not catch it.

Mr. DIAL. How can we justify ourselves in stabilizing, as it were, the roads carrying 30 per cent of the freight of this country which could not support themselves before the war? Are we justified in saying that their value is so-and-so, and that rates shall be levied sufficiently high to enable them to earn an income of 5½ per cent?

Mr. CUMMINS. I do not think it is possible to render that relief to those railroads which carry 30 per cent of the traffic which we ought to render. As I said in my opening statement upon the bill, there is but one way in which we can reach a safe position, and that is through the process of consolidation. With roads varying as widely as the roads of the United States do, you can not put upon the country a body of rates which will render justice to each of the railroads, but we must do the best we can; and the railroads which are now suffering from loss of credit and from underincome will do a little better under this bill than they ever did before. That is all we can promise them or hope for them until the consolidation in some form takes place.

Mr. DIAL. The point is this: We are making them special pets; we are making them our wards. The Government did not tell the owners to build the roads, and the Government is not responsible for their condition.

Mr. CUMMINS. The Senator from South Carolina does not have the same idea probably about the object or province of government that I do. I think that government is organized for the protection of the weak—

Mr. DIAL. It is organized for the protection of everybody, I think.

Mr. CUMMINS. For the protection of the weak as against the aggressions or the power of the strong. There are some people in this country, and there are some corporations in this country, that need no protection from the Government, that are abundantly able to protect themselves; but there are other persons and other corporations that are unable to protect themselves, and we must do the best we can to see that they are maintained if they are necessary to the public welfare.

I do not think that in trying to protect the weak we ought to do any injustice to the strong; but this bill does not do injustice to the strong. It provides that the roads may retain of their earnings all that common carriers ought to retain—a reasonable and fair return upon the value of the property which renders the service.

Mr. McKELLAR. Mr. President—

Mr. DIAL. I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I should like to ask the Senator from Iowa [Mr. CUMMINS] a question. Take the 30 per cent of the railroads that were not self-sustaining before the war. As I understand the provisions of the bill at the bottom of page 12 and at the top of page 13, the reasonable income of 5½ per cent is given to those railroads, together with all the remainder of them. Is it fair or just for the Government to take practically one-third of all the railroads of the country that have not been self-sustaining in the past—perhaps because of inefficient management or improper service—and put them on a 5½ per cent basis whether they earn the money or not?

Mr. CUMMINS. They are not upon a 5½ per cent basis.

Mr. McKELLAR. This bill requires the rate to be fixed so as to bring them, together with all other railroads, upon a 5½ per cent basis.

Mr. CUMMINS. No; the Senator misunderstands the bill entirely.

Mr. McKELLAR. I will read it to the Senator, and see what he thinks about it.

Mr. CUMMINS. The Senator need not read it to me; I am perfectly familiar with it.

Mr. DIAL. If the Senator from Tennessee is not correct, then a good many of us misunderstand it.

Mr. CUMMINS. I had hoped that I had explained that so that it was fully understood. The value of all the railroad property in a rate-making district is ascertained. Then the Interstate Commerce Commission sits down to the labor of adjusting rates which will return or create a net operating income for all the railroads in that district.

Mr. McKELLAR. Including the 30 per cent which are not self-sustaining.

Mr. CUMMINS. I will have to go back, in view of the Senator's suggestion.

Mr. McKELLAR. I beg the Senator's pardon.

Mr. CUMMINS. The Interstate Commerce Commission then attempts to adjust rates so that the aggregate operating income of all the railroads in that district will be 5½ per cent upon the aggregate value of all the railroad property in that district. Those rates are then established, and the railroads begin to carry freight under them. Upon those rates one railroad will not earn 3 per cent upon the value of its property, while another railroad may earn 7 per cent upon the value of its property, just as we observed during the period before the war that all the railroads of the country earned 5.2 per cent upon their property investment account. That did not mean, however, that every railroad in the country earned a net operating income of 5.2 per cent; it meant that one railroad earned 6 per cent, another 8 per cent, another 9 per cent, another 4 per cent, another 5 per cent, another 3 per cent, and some of them less than 1 per cent. That is the way it would occur measurably under this bill until there can be such a process of consolidation as will make the various systems of railroads in this country bear the proper relation to each other. I beg the pardon of the Senator from South Carolina for interrupting him in this way.

Mr. DIAL. That is all right; I am glad to have the Senator's explanation. We are merely trying to get the best possible solution of this problem. I do not think I said, at least I did not intend to say, that the Government guaranteed a return of 5½ per cent. I meant to say that under the terms of this bill, in

case it passes, that would be the result; that we would instruct the Interstate Commerce Commission to levy rates that would yield that amount and then when we had once done so we would put the stamp of the Government's approval upon this investment; that it was worth a hundred cents on the dollar, and that thereafter it would earn that per cent. That is as far as I meant to go. Therefore it implies a contract to the public of this country and every other country that may buy our railroad securities that such action will be taken, although in the future, of course, it may be changed.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

Mr. DIAL. Yes, sir.

Mr. KING. I apologize for interrupting the Senator.

Mr. DIAL. I am very glad to have the Senator interrupt me.

Mr. KING. Does not the Senator think that the statement which he has just made is rather inaccurate, namely, that it puts the Government's stamp of approval upon all the issues of the railroads and is a guaranty, in effect, that those issues will all earn 5½ per cent in the future? As just explained by the Senator from Iowa, there is no guaranty or promise that these roads will earn any figure. The rates will be adjusted so that 5½ per cent will be earned upon the value of the property in the various rate districts, as determined by the Interstate Commerce Commission, but many of the corporations unquestionably will not earn 5½ per cent; they may not earn 2 per cent or even 1 per cent. I know corporations, notwithstanding the so-called guaranty, that will not earn 1 per cent or certainly not more than 2 per cent.

This bill does not propose to make up the deficit between 2 per cent and 5½ per cent. Other roads in the various rate-making districts will earn much more than 5½ per cent, as they have done in the past—

Mr. DIAL. Then, they will have to lend it to the weaker roads.

Mr. KING. But the roads that have not had much traffic in the past, that have not earned any very considerable sum in the past, will not, in my opinion, by this bill be put in a position to earn relatively very much more in the future than they have earned in the past. The only advantage is, as the Senator from Iowa has said, that in a way it stabilizes conditions; it uses the amount above 5½ per cent which is earned by some roads as a Government fund for the purpose of loaning, if it sees fit—and perhaps that may be mandatory; I do not know as to that—for transportation purposes, so that the poorer roads may be permitted to borrow money from the Government when they can not borrow it from private banks. As I understand the theory of this bill—and there are many features of it I do not like at all—the plan is to preserve the weak roads from such delinquencies as would result in their abandonment. The theory is that the railroads in the United States are essential to the welfare of the people; that it is a sort of governmental function—and I do not quite agree with the broad statement of the chairman of the committee—to furnish transportation to the people; but, assuming that the Government is interested in the transportation problem, the theory of the bill seems to be to preserve the weak roads from destruction because their preservation is necessary for the welfare of the people.

Mr. DIAL. More than that, in this brotherly-love bill that we have here, one of these numerous commissions is allowed to divert freight from one road and give it to that weaker brother over there.

Mr. President, when I lived out in the country and read the newspapers I used to hear about protection, and that was a great issue along about presidential election years, but I think this is protection run mad. We heard about protecting our infant industries in this country, and things like that. I do not wish to inject politics into this debate at all; but here, just at one time, we are going not only to protect the income of the enterprise, but we protect the whole enterprise and practically become a guarantor of the investment. We have gone into partnership, and we stand behind, as it were, the whole investment here, and in the very short space of a few hours we are about to forget our history and become protectionists at one time. This is the biggest protectionist jump I ever saw.

Furthermore, Mr. President, under the provisions of this bill, if these roads are required to take out a Federal charter, I do not know whether that deprives the States of some rights or not; but certainly, if that goes through, there should be some provision whereby those roads may be sued in State courts as national banks are now sued.

Not only that, Mr. President, but I am very much afraid that if this bill goes through with a provision for railroad districts, dividing this country up into rate-making districts or zones—groups of roads, I believe is the wording of the bill—when that

is done, then in the more populous parts of the country, where they have the richer roads, perhaps it will cost much less to carry produce to market and militate against the weaker parts of this country, where freight rates will have to be higher. That is to say, in order to make the 5½ per cent they would not have to levy nearly as much of a charge for freight where they have a thickly populated country as they would in the case of a thinly populated country; so I am somewhat skeptical about the future progress of this country under this bill.

Moreover, the bill changes the policy that we have taught here for the last 25 years. I have not sympathized with a good deal of this antitrust legislation debate. I believe in letting an enterprise, whether individual or corporate, get out and hustle for its living and do the best it can; but under the theory of Congress here we have been saying to capital, "You shall not consolidate over this country," and here, all at once, just at one breath, we are asked to do away with our independent railroad lines and at once consolidate the railroads of the whole country into a few systems.

Mr. POMERENE. Mr. President, does the Senator have in mind the fact that these consolidations can not be entered into except under a plan which has been theretofore prepared by the transportation board and the Interstate Commerce Commission, and which is subject to their supervision all the time; and does not the Senator further recognize it to be a fact that one of the things which were demonstrated during the so-called Government control of the railroads was that where there was greater consolidation in the management of the railroads there would be greater efficiency?

Mr. DIAL. Well, that is a pretty big proposition, Mr. President. I realize, as I remember the bill, that it has to be done under the supervision of somebody; but I have failed yet, in my limited experience, to find perfect men in this world. I do not find them here; I did not find them before I came here; and I do not expect to find them after I leave here; and I believe, Mr. President, that one of the troubles of this country to-day is that on account of a multiplied press sending all kinds of literature over this country we are teaching people ideas that are not practical, that are visionary, and when we get into Congress we hear speeches made every day complaining about the innumerable commissions and boards of investigation, and everything of that kind, and places where we put some fellow who knows theory and does not know practice, and we do not know what kind of legislation he will allow to be put upon the people of this country. I would rather trust men who have made something and who know what they are doing and who know more practice and less theory.

Mr. President, in regard to this 5½ per cent return, as I said before, I have no objection to 5½ per cent. In fact, it sounds like pretty small interest to me, and I am not objecting to the best roads making 5½ per cent. I do not care if they make 20 per cent if they do it under proper Government regulation and proper Government restrictions and proper freight-rate regulations. If we do our duty, and if the owner of that railroad employs less people and gives greater service and gives greater efficiency, let him make whatever he can make. It will be due the stockholders of that company.

I am not one of those who would go ahead and say because people own an enterprise that the Government should come in and take it away from them. I have a heart as big as the Atlantic Ocean for the man who goes out and puts his money into an enterprise and creates that enterprise and builds it up from the beginning. That is the kind of railroad we need in this country, and other industries as well. Let them have the actual dollars invested in the property, and put their reputation behind the property, and their energy, and their good will, and their decency, and the people will patronize it; and I am not envious of what per cent of return they make, if they are paying the Government their proper taxes like other people, and, of course, under Government regulation. I do not believe in special privileges at all, but I am teetotally opposed to the drone, and that is what this bill is coming to.

If you will allow me, Mr. President, I can think of one little illustration that describes this proposition very forcibly. It is a homely one. It is one that I heard my father tell many years ago. I was reared down in the country, and after the War between the States a few rich people down there owned rifles, and the poor white men owned single-barreled shotguns; and a farmer then was going to run for the legislature, and when he got there he was going to have a bill passed to top all the trees, so that a poor man could shoot a squirrel as well as a rich man who had a rifle. [Laughter.] That is about like this bill here now; it is going to take away from the rich road to help the poor along.



Mr. President, I have said more than I intended to say. I may have omitted some of the boards provided for in this bill; there are four or five of them; but it is a very easy matter, Mr. President and Senators, to find fault, and I am not of that class. I am glad to say that I am an optimist, and I always expect to be one. I have an abiding faith in the American people, and I feel that it would be one of the greatest imaginable calamities to do anything to chill their ardor; and I hope now that we will get back on our feet, and give ourselves time to cool off, and let everybody get his bearings, and we will get this thing straightened out in a short while, and we will be the most prosperous country in the world, as we are now, and should be, and we will be much more prosperous.

Mr. President, I would not care much myself if this Government would get out of all kinds of business. I do not believe in the Government tampering with business. We are scared to death now about getting along without sugar. It would not hurt us if we got along without it for a little while. It would not make much, if any, difference. We can do without many things. Why, we get scared to death if we can not buy clothes, and so on, and so on. I would not mind if Congress passed a law to-morrow taking the Government out of every kind of business, and out of the control of the commerce and the business of this country, and letting it go back in the hands of the people. It is true that some prices would soar, perhaps, sky-high; but it is also true that people would go to work then and start up new enterprises, and they would create more of those articles and put them on the market, and it would be only a little time until competition would regulate those things. I believe that would be about as good a thing as we could do. Of course, we do not want to freeze to death this winter, nor do we want to perish in any other way; but after a little while I think that is the best course this country could take. I believe that if you do not like a thing you ought not to buy it. You would not have to buy it.

Furthermore, Mr. President, in all seriousness—and I have said what I have said in seriousness—the way I feel about the matter is that if we go ahead right now and pass this bill we are practically making the United States guarantee billions of dollars. I do not like to say "billions," because I do not know what a billion is; but there will be a guaranty of billions of dollars entailed upon the people of this country, I feel, forever hereafter, and I do not believe it should be done.

Mr. POMERENE. Mr. President—

Mr. DIAL. I yield to the Senator from Ohio.

Mr. POMERENE. In the first place, I take issue with the Senator's statement that this is a guaranty. The distinguished chairman of this committee made it perfectly clear that this was not a guaranty; that it was simply a rule of rate making. But the Senator makes the statement that we are guaranteeing billions. If this be a guaranty of billions, how much less would the Senator make the rule for rate making, if he would reduce it below 5½ per cent?

Mr. DIAL. I will come to that a little bit later. I do not mean guaranteeing in the strict sense of sitting down and signing your name at the bottom of a document, but I mean morally. We have been hearing a good deal here—all last fall—about moral obligations in connection with the peace treaty. We all know something about moral obligations, and that is where we landed.

Mr. President, we ought to pass some kind of a railroad law. We all admit that, and I do not believe it is kind nor just to criticize a measure unless you have something better to propose. I have not written out anything, but I will give the Senate my views, just in a few words, as to what I think we ought to do.

As I said before, I feel kindly toward the railroads. I have no animosity whatever toward them. We need railroads in this country; but we must not go ahead and commit too many sins in the name of the railroads and in the name of interstate commerce. I believe that what we ought to do is this:

We took charge of the roads during the war. We had to take charge of the roads. I do not think the railroad people have any right to come in here now and complain. We were in a war. We did not want to get into that war. We did everything we could to stay out of that war, but we were forced into it; and if we had not gone in and had not taken charge of the railroads' property, and if the Germans had come in and captured us and had captured the railroads' property, then what would their property have been worth?

I think that the railroad owners of the country are no less patriotic than the rest of us. Whatever this Government wanted during the war, when they called on us as true American citizens, they got it. If they wanted my coat in order to win this war, they could have it; and I would have raised no objec-

tion, and no true, patriotic man would have raised any objection. The railroads did not do it then, and they should not now. We took their roads and we won this war, and that is a good answer to all these claims of extravagance and anything else about them. Just let us wipe it out, and pay the bills, and say no more about it.

We did go and establish a Railroad Administration. They did go and employ more people, perhaps, than should have been employed. They spent more money, perhaps, than they should have spent; and now this country is in an unsettled condition; but the railroads are not the only ones whose employees are disturbed. The employees of the rest of us who have enterprises are disturbed, too. Our boys went to the war. They shut down our production and our factories down home, as I know of my own knowledge.

What we ought to do, in justice to the roads and in justice to ourselves, is this: We ought to be honest with the roads, and with ourselves, and with the public, and with everybody. I think a short bill ought to be written here, to say to the railroads: "Here is your property, after so many days"—say, 90 days, or something like that. "Now, railroads, we will guarantee you the same return you have gotten heretofore"—the standard contract, I believe it is called—"we will guarantee you that return for six months, say, thereafter, to allow you to get your bearings, to go back home and to get back to your old basis of operation and to become normal again. Now, there is your property. Take it and run it like other people are doing."

I believe that would be equity to the railroads. I believe that is all they ask, or ought to ask. I believe that is all the burden you ought to put upon the American people. Then, Mr. President, if we decide that this anticombination law that we have had heretofore ought to be repealed, let us go ahead and repeal it. I wish we would repeal a number of the laws that we have passed, especially the Adamson law. We started out wrong there. Then, we ought to repeal any tariff regulation or any other law that interferes with the normal course of affairs and let our people get back to a normal condition, so that everybody can stand under the laws of this country on the same basis. I do not think we ought to say to the railroads, "We will guarantee you a return of so much on the money invested in your property." We have carried them along for a time. I have no objection to getting money at 6 per cent and loaning it to them at 5 per cent, so far as that is concerned. Let us throw them out a plank, if they need it, and help them along, but I do not know of any reason why we should guarantee them a sufficient rate to make 5½ per cent upon every dollar of their investment.

Let the Interstate Commerce Commission levy a fair rate, as it has been doing heretofore, and, if it is necessary to increase it, increase it. I do not believe in giving gratuities in any enterprise, in individual matters or other enterprises, but I believe in efficiency and economy, Mr. President.

Now, Mr. President, that would be, I think, justice to the roads. I do not care what you make it. Be more liberal with them, but do not put this Government into partnership, as you do in this bill, with the railroads of this country. The people are the silent partners; they pay the fiddler, Mr. President, if this bill passes. You take the road away from those to whom it belongs and put it into the hands of the Government.

Then, further, Mr. President, we have seen all these recent strikes in this country, and we think perhaps it is necessary to pass more laws. If necessary, then let us pass an antistrike law with reasonable restrictions in it. I do not believe in making any man work if he does not want to work, if he is able to make a living without working. On the other hand, I do not believe in the employees tying up the railroads or the shipping interests of this country, tying up the commerce of the country, and making the people freeze to death, and perhaps starve to death, certainly suffer great financial loss and injury. I believe in saying to a laboring man, "When you become an employee of a quasi-public corporation, you should enlist for a certain time, and then if you have any difficulty there should be some way to force an arbitration between you and the employer." Never take it away from the courts of this country, where our rights and liberties belong. "Furthermore, if you want to quit, quit, but you should resign and give a reasonable notice of intention to quit, so that the railroad can employ some one to take your place." I believe that we ought to advance that much, Mr. President.

I am a better friend of labor than a great many of these so-called friends of labor. I believe in creating enterprises and giving men employment to improve their conditions as to housing, education, conditions of living, and everything of that sort. I have practiced that for many years at home. I have a large

number of friends of that class who are friends, indeed, Mr. President. Then you will have nobody working for you who does not want to work for you. I have employed thousands of men in my life, and I can count on the fingers of one hand to-day those who do not want to come back to me. Treat them as you would like to be treated. Understand their necessities and their requirements. Pay them what your business will justify.

I would not want men to work for me, and the railroads would not want men to work for them, unless they want to. Therefore there ought to be good feeling, good fellowship, between the railroads and the employees and other employers and employees in this country. But when you say we believe in six hours a day and five days a week that is contrary to Divine Writ. You can not make a living that way; and when you go further and say that you do not want people in the penitentiary to work, I say that I believe everyone who is in prison ought to be made to support himself if it is possible to do so.

There is a good deal of nonsense and tommyrot about minors working. I wish the women and children did not have to work. But they tell me that a boy 13 or 14 years old, a great, big, strapping fellow, running around studying devilment, ought not to work. They ought to be made to work and to earn a living, and if you do not take them when they are young and make them earn their living they will not be worth hanging when they are grown, in all probability.

We listen too much to this effeminate business around here and all over the country. It is time we were wiping that out. Encourage people to work. I do not care to say anything about my experience. My father was a man of comfortable means, but he had me plow from sunup until sundown many a day, and that is about the best education I ever got, and I am proud of it. It served me in after life, and enabled me to know whether the men I employed were working or playing.

Then, Mr. President, we ought to say to the people, "You shall not strike and tie up the enterprises of this country." Strikes are becoming more noticeable all over this country. Down South we have not cared much about previous strikes of the longshoremen in New York, but this fall it tied up the cotton from going to Europe, and kept your wheat from going abroad, and a man in Ohio or South Carolina is as much interested in a strike in New York as he would be in a strike in his own State.

Not only that, but I deplore the tendency on the part of the States of recent years to look to Washington for everything. The governors of the States before long will be no more than chiefs of police of the States if the States continue to give up their rights. Congress is too anxious to assume rights that they ought not to take charge of, and the States are too ready to evade questions and shirk responsibilities that they ought to assume.

The legislatures in most of the States meet in January, I believe—certainly a large portion of them—and they ought to look after industrial legislation in this country, look after these people who rise up to despoil this Government, this red crowd, the I. W. W. crowd, and all of them, I do not care what they are. They ought to be put down there, and the States can get them quicker than we can get them here in Washington. They ought to put them on the roads and make them crack rock. This Government ought to send its agitators back from whence they came.

Those are about my views on this bill, Mr. President. I think the Government ought to assist the railroads for a reasonable time. It is true they lost money. The roads were run down, the engines were broken, the cars gone to pieces, the tracks all lopsided, and things of that sort; but here in the last few months they have been making money. I believe they made something like twelve million or fourteen million dollars in the last month. They are beginning to make money. So I see no need to hurry to turn them back. Ask the President to give us a little more time and let us pass a sane law, a comprehensive law, and one that would be just to everyone.

Mr. CUMMINS. Mr. President, as I announced when we began consideration of the bill, it is the purpose of the committee, when the consideration of the bill draws near an end, to move to substitute this bill for the bill that has already passed the House. Accordingly I report from the Committee on Interstate Commerce the bill (H. R. 10453) to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended, and for other purposes, with the recommendation that at the time I have indicated all after the enacting clause of the House

bill be stricken out and Senate bill 3288 be substituted in its stead. I make the report for the purpose of permitting the House bill to go on the calendar.

The PRESIDING OFFICER. It will be placed on the calendar.

Mr. MYERS. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. MYERS. I offer the following amendment, and ask that it be read.

The PRESIDING OFFICER. The Secretary will read.

The Secretary read as follows:

Strike out of the printed bill all of page 44 after the word "directors," in line 7, and before the word "the," in line 18; also all of page 44 after the word "prescribed," in line 20, and all of page 45 down to line 8.

Mr. MYERS. Mr. President, the object of that amendment is to strike out of the bill that provision which authorizes the appointment on the board of directors of each road which incorporates under the provisions of this bill two employees of the road and two directors from the public. The bill as it is provides that on the board of directors of each road which incorporates under the provisions of this measure there shall be at least two directors from among the employees of the road and two directors to be appointed from the public by the transportation board. The bill provides that the affairs of each corporation shall be managed by a board of not less than 11 nor more than 15 directors. It provides that two of those directors shall be taken from among the employees of the road and two from the public, to be selected and appointed by the transportation board.

Mr. NORRIS. Does this amendment strike out that provision?

Mr. MYERS. It does.

Mr. NORRIS. So it would take four directors off?

Mr. MYERS. It would leave the number 11 or 15, as the case might be, but none would be taken from among the employees or from the public.

Mr. NORRIS. No directors from employees and no directors representing the public?

Mr. MYERS. That is correct. It would simply do away with two directors from the employees and two from the public. I am a believer in the good old-fashioned Anglo-Saxon doctrine that a man who owns a business has a right to run it; that a man who owns property has a right to control it. The only interest employees have in the management of railroads is to get adequate wages and fair working conditions. They should have them. I am in favor of that. But that is absolutely provided for elsewhere in this bill. That is taken care of. That is not overlooked by any means. The bill provides that there shall be a commission on wages and working conditions; also a number of regional boards of wages and working conditions. On each regional board and on the commission of wages and working conditions the employees have one half of the membership. One half of the representation is to come from among the employees.

Thus they are to have a voice in the fixing of wages and working conditions. The other half of the membership of the commissions and regional boards is to come from the owners of the roads. So the owners of the roads and the employees are to be equally represented. Each will have an equal voice. The employees are to have an equal voice with the owners in fixing their wages and working conditions. That is all right. That is taken care of. The bill provides that if a regional board can not agree on wages and working conditions, there shall be an appeal to the commission on wages and working conditions, and if it can not agree an appeal shall be taken to the transportation board, which shall settle the question. So I do not see any necessity for having people from among the public or people from among the employees on the board of directors of a road.

I believe the people who invest money in a business should have the privilege of conducting and operating it and, if it be engaged in interstate commerce, that such privilege should be subject to control and recognition by the United States Government.

We are providing by this bill that the roads are to be managed by their owners and to be conducted by them, subject to control, regulation, and supervision by the United States Government, and when that is provided for and when provision is made that the employees shall have an equal voice in the fixing of wages and working conditions and that the employees shall have adequate wages and fair working conditions and that revenue must be raised with which to defray the expense, I do not see the necessity of going any further in intermeddling or interfering with privately owned business.



I do not see the necessity of going any further with paternalism. I agree with very much of the substantive principles underlying the remarks just made by the esteemed Senator from South Carolina [Mr. DIAL]. I am opposed to Government interference with business any more than is necessary. I am very much opposed to paternalism, and I do not desire to carry it any further than is absolutely necessary. It does seem necessary, though, for the United States Government to take supervision of the railroads of the country. It seems necessary to provide adequate wages and fair working conditions and to make provision for an adequate return on investment and to provide against railroad strikes, which interfere with interstate commerce, tie up the business of the country, and bring freezing and starving conditions upon the people.

On account of the necessity of providing for these things I am willing to support this bill. In principle I really agree with the theory of the Senator from South Carolina [Mr. DIAL] that people and business interests and corporations should stand upon their own merit and sink or swim without help or interference from the Government. But the railroad business of the country has gotten into such condition that it seems necessary for the Government to take some supervision over it, to control in a general way its operations, and particularly to prevent nationwide railroad strikes and, as a corollary, hand in hand with that, to provide adequate wages and fair working conditions for the employees.

But I do not want to go any further in that direction than is absolutely necessary. This idea of saying that two members of the board of directors of each road shall be employees and two more shall come from the public I think is unnecessary. I can see no necessity for it. Wages and working conditions are provided for in another way. They are provided through other bodies, the regional boards, the commission on wages and working conditions, and the transportation board. They are amply taken care of, and I can see no reason for having representation of employees and the public on the board of directors.

You may say it is to represent the employees. All the employees are interested in is getting adequate wages and fair working conditions. If they get them, they are satisfied, and they are provided for.

You may say that it is to represent the public. The public is taken care of by the entire bill. The whole theory of the bill is to take care of the public, and I do not see that it needs these two representatives on the board of directors.

I think the provision which I am aiming to strike out is an unwarranted interference with the right of private property. I am willing to interfere with private property where the general good requires, where it is necessary for the general welfare, where it is necessary for the preservation of peace and the welfare of the whole people, but no further. I have always understood that in order to be a director of a corporation one must be a stockholder. It should be so. If there are no stockholders among the employees, how are you going to make an employee a director? Are you going to take a man who is not a stockholder and make him a director? Are the two men to be selected from the public not to be stockholders? Are you going to take from the public men who are not stockholders and make them directors?

I think every man who is a director of a corporation should be a stockholder in the corporation. He should be directly interested, financially interested, in the corporation. I believe it right and proper to take the directors of a corporation from among the people who have their money invested in that corporation, who have their money at stake, and who are financially interested in the economical management of the corporation.

If I get three or four neighbors, or whatever may be the required number, to go in with me, and they each put in a little money and I put in most of the money, and we organize a national bank, it is under the control of the Federal Government, and properly so, because it is a Federal corporation. But would you have any right to say to me that I must make my janitor and my bookkeeper directors of that bank, men who have no financial interest whatever in its success, men who were only interested in doing their work and getting their wages? I say the people who put their money into the bank, the people who are stockholders, have a right to say who shall be the directors of the bank. The directors of a national bank should be chosen from among the stockholders—people who have put their money into the institution and are pecuniarily interested. Let the bank be under Federal control. That is right and well enough, because it is a Federal institution. Make the Federal control as rigid as you may see fit, but let the conduct of the business be in the hands of the men who supply the money.

I do not see any warrant for going to this extreme paternalism and saying who shall be directors of a corporation, even though engaged in interstate commerce. You may provide what the directors have to do and how they shall conduct their business, and what the penalty shall be if they do not conduct their business in the way prescribed by law, but let the people who put up the money name the directors.

My father was a farmer. He had a farm and always employed help on his farm—some negro and some white. But would it have been right for the law to have said that he must take into consultation the men whom he employed on the farm and must let them have a voice in directing the operations of that farm and of running it—let them say this field should be put in wheat and that should be put in corn?

There are men in the Senate who own cotton plantations. Would they want their employees to be made, as it were, directors of their plantations and to have a voice in the conduct of those plantations?

There are men in the Senate who own ranches and farms in the West. Would they think it right to have to take their foremen and other employees into joint management and let them be made directors or managers of their ranches? No; the men who furnish the money have the right to say how those ranches shall be run and how they shall be conducted. But if they undertake to conduct them in contravention of the public interest or contrary to the general welfare, then let some legislative body say that shall not be done.

I believe the bill would be just as good a bill, just as good for the employees and just as well for all, without this paternalistic interference with private business. I was not present at all the hearings held by the committee on the bill, but I understand that representatives of organized labor appeared before the committee when this provision was being considered and said they did not want representation of employees on the board of directors; said they were not interested in it, and, in fact, objected to it. If the representatives of organized labor do not want it, why should anybody else want it?

Therefore I hope my amendment may be adopted.

Mr. LA FOLLETTE. Mr. President, if the Senate adjourns to meet at 11 o'clock to-morrow, as I understand is contemplated, I desire to say that I have not completed my observations upon the bill, and if I can get recognition at the expiration of the morning hour, at 1 o'clock, I will resume my discussion of the measure that is pending.

Mr. MYERS. I did not know that I was interfering with the remarks of the Senator from Wisconsin. I did not mean to get in ahead of him.

Mr. LA FOLLETTE. Oh, no; that is all right.

Mr. JONES of Washington. Mr. President, I desire to ask the chairman of the committee a question. I did not understand just how he reported the House bill awhile ago. As I studied about it, I wondered if he reported it simply striking out everything after the enacting clause and letting it go on the calendar in that way.

Mr. CUMMINS. That is the way I reported it, striking out all after the enacting clause and inserting the Senate bill in lieu of the part stricken out.

Mr. JONES of Washington. Inserting the Senate bill as it was reported to the Senate?

Mr. CUMMINS. Precisely. I could not do otherwise, because there have been as yet no amendments made to the Senate bill. When I call up the House bill, if there have been amendments in the meantime made to the Senate bill, I shall change the motion so that the Senate bill as approved by the Senate will be substituted for the House bill. I know of no other way in which to get the matter into the conference properly.

Mr. JONES of Washington. It occurred to me that the best way would be to withhold the reporting of the House bill until we had perfected the Senate bill, and then the Senator from Iowa no doubt could get unanimous consent to report the House bill with the Senate bill substituted as agreed to by the Senate. However, I do not know but that this probably can be done just as well.

Mr. CUMMINS. I hope it can be done in that way even with the House bill on the calendar.

Mr. JONES of Washington. I suppose it will have to be done by unanimous consent or else we may be tied up with a parliamentary situation.

Mr. CUMMINS. Yes; I think so.

Mr. JONES of Washington. I think the Senator will have no trouble about securing unanimous consent.

Mr. CUMMINS. I hope not to have any trouble about it.

Mr. JONES of Washington. I got the impression that the Senator was reporting the House bill just as it was and that it

was to go on the calendar in that way, and the country might get a wrong impression concerning the report of the committee.

Mr. CUMMINS. I think perhaps I did not express myself very well in making the report, but I intended to report it in the way I have suggested, and I think that is the proper way.

Mr. JONES of Washington. I got the impression that the Senator stated that he intended hereafter to substitute the Senate bill.

Mr. CUMMINS. Mr. President, I move that the Senate adjourn until 11 o'clock to-morrow.

Mr. MYERS. Will the Senator withhold that motion just a moment?

Mr. CUMMINS. Certainly.

Mr. MYERS. I should like to make the request that if the bill does go over until to-morrow my amendment may be printed.

The PRESIDING OFFICER. The amendment of the Senator from Montana will be printed and lie on the table.

#### ADJOURNMENT.

Mr. CUMMINS. I renew my motion that the Senate adjourn until to-morrow at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes) the Senate adjourned until to-morrow, Wednesday, December 10, 1919, at 11 o'clock a. m.

## HOUSE OF REPRESENTATIVES.

TUESDAY, December 9, 1919.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, offered the following prayer:

Infinite Spirit, our Heavenly Father, from Whom cometh all wisdom, strength, courage, fortitude, right thinking therefore, and right living, we find ourselves as a people confronted with grave and momentous questions within our own borders and with our neighbors; hence we appeal to Thee, that our authorities in State and Nation may be able to solve them and establish peace within and without, loving mercy, doing justly, walking humbly with Thee. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### MESSAGE FROM THE PRESIDENT—ANNUAL REPORT OF THE COUNCIL OF NATIONAL DEFENSE.

The SPEAKER laid before the House the following message from the President of the United States:

*To the Senate and House of Representatives:*

In compliance with the provisions of section 2 of the act of Congress approved August 29, 1916, making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, I transmit herewith the third annual report of the Council of National Defense for the fiscal year ended June 30, 1919.

WOODROW WILSON.

THE WHITE HOUSE, 8 December, 1919.

The SPEAKER. Referred to the Committee on Appropriations.

#### ANTIDUMPING LEGISLATION.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10918, and, pending that motion, Mr. Speaker, I would like to arrange with the gentleman from North Carolina [Mr. KITCHIN] for general debate. I have requests for 1 hour and 40 minutes, including the giving of 40 minutes to the gentleman from Idaho to discuss a question he asked unanimous consent to present yesterday, but was unable to do so because of the bill taking all day.

Mr. KITCHIN. So the gentleman does not wish to confine general debate to the bill?

Mr. FORDNEY. Yes; except the gentleman from Iowa [Mr. GOOD] wants 15 minutes to make a statement with reference to appropriations, and I think Mr. CRAIG wants about 15 minutes also, but nothing of a political matter.

Mr. KITCHIN. If the gentleman from Idaho has 40 minutes to make a speech on another subject, and the gentleman from Iowa has 15 minutes to make another speech, and the gentleman from Pennsylvania has 15 minutes to make another speech, that will take 1 hour and 10 minutes.

Mr. FORDNEY. Yes; and then the discussion will be confined absolutely to the bill. I ask that chiefly for the reason that the Democratic members of the Ways and Means Committee unanimously favor this bill, and I would rather not see any politics come into the discussion.

Mr. KITCHIN. Suppose we have three hours, an hour and a half to a side, and let them talk on what they please. I am going to confine my remarks to the bill, and I suppose the gentleman is.

Mr. FORDNEY. I will also, and so will the gentleman. How much time does the gentleman say?

Mr. KITCHIN. An hour and a half to a side.

Mr. FORDNEY. That will give 50 minutes. We have got 1 hour and 10 minutes for these gentlemen on other matters, and that will only give me 10 minutes for discussion of the bill.

Mr. KITCHIN. I will give the gentleman some of my time for discussion of the bill.

Mr. FORDNEY. I would like not more than 30 minutes. Has the gentleman requests for all of the time or could he yield a portion?

Mr. KITCHIN. I have requests for about 30 or 40 minutes. Mr. FORDNEY. Will the gentleman yield a portion of that time to the gentleman from Idaho [Mr. FRENCH]?

Mr. KITCHIN. I will say this: As far as Mr. FRENCH is concerned I will yield 20 minutes of my time to him and 20 minutes to the gentleman.

Mr. FORDNEY. Giving 40 minutes to this side for a discussion of the bill.

Mr. KITCHIN. Let the gentleman yield the gentleman from Idaho 20 minutes, and I will yield him 20 minutes.

Mr. GREEN of Iowa. Will the gentleman yield to me for a moment?

Mr. FORDNEY. I will.

Mr. GREEN of Iowa. I just want to say that I think our chairman is sometimes a little bit too good natured and accommodating, his nature being exactly that way, in yielding time. I wish those Members who wish time to talk on other subjects would not insist always on the Ways and Means Committee giving it to them, because they are always charging it up to the Ways and Means Committee, and they could get their opportunity just as well at another time.

Mr. HULINGS. I want about 10 minutes this morning.

Mr. GREEN of Iowa. The result is to cut out some members of the Ways and Means Committee themselves. I feel obliged not to ask for any time in general debate for the reason so many Members come in and insist on having time given them by the chairman. I shall not, however, object. I would be very much better pleased, and I think the House would be better satisfied, if these requests came in at another time and not when the Committee on Ways and Means has a matter under consideration.

The SPEAKER. The gentleman from Michigan asks unanimous consent—

Mr. FORDNEY. Would not the gentleman from North Carolina agree to make that an hour and forty-five minutes on a side, because the time agreed upon would only give me 10 minutes.

Mr. KITCHIN. Let us have an hour and forty-five minutes for each side, and I will yield the gentleman 20 minutes.

Mr. HULINGS. I want to ask the chairman of the committee if he could make arrangements to let me in there for about 10 minutes?

Mr. FORDNEY. I will arrange to get the gentleman in under the five-minute rule, because we want to get through the discussion of this bill to-day. I will arrange to get the gentleman in under the five-minute rule.

Mr. HULINGS. That does not suit me at all. I do not want to talk under the five-minute rule.

Mr. FORDNEY. I would like to accommodate the gentleman, but we must confine this debate to the bill.

Mr. HULINGS. I do not know what the bill is. I want to talk on something that is quite as important as the bill, I think.

Mr. FORDNEY. Well, I will try to get the gentleman in under the five-minute rule.

Mr. HULINGS. I do not want to get in under the five-minute rule.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the general debate be limited to three and a half hours, an hour and forty-five minutes to be controlled by himself and an hour and forty-five minutes by the gentleman from North Carolina [Mr. KITCHIN]. Is there objection? [After a pause.] The Chair hears none. The question is on the motion that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10918, the antidumping bill, with Mr. MANN of Illinois in the chair.



Mr. MANN of Illinois took the chair amid applause.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10918, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 10918) to provide revenue and encourage domestic industries by the elimination, through the assessment of special duties, of unfair foreign competition, and for other purposes.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. FORDNEY. Mr. Chairman and gentlemen, I will be as brief as possible in my explanation of the purposes of this bill, after which, as far as I am able, I shall be glad to answer any questions that may be asked me by Members of the House.

The chief purpose of this bill is to prevent unfair competition from abroad when goods are sold here in competition with the products of this country. The bill provides that power be given to the Secretary of the Treasury to investigate, to examine the books and papers and documents of any firm in any country of the world engaged in exporting to the United States to determine whether or not the price at which such firm's goods are sold in this country is at least equal to the price at which they are sold in the country of production, and upon refusal of a firm or person to give to an authorized representative of our Government the right to examine their books and documents the Secretary of the Treasury is directed to prohibit the importation into the United States of the goods of that firm or person until such information is given.

If it is found that a foreign company or corporation or individual is selling an article in this country at a price less than that at which it is sold in the country of production, then the Secretary of the Treasury is authorized, through proper agents, to add an additional duty upon such imported article. In fact, the bill, if it becomes a law, gives power to the Secretary of the Treasury to prohibit importation in several ways: First, by a fine or imprisonment, or both, for a violation of the law. We do not object, and can not object, to a foreigner bringing goods into our country and selling them at a price equal to that charged for such goods in the country where they are made. If a foreign concern can make goods at a less price than we can, the difference in cost must be provided for in a tariff law. But no tariff rate that we have enacted or can enact will correctly anticipate the selling of goods in this country at a price less than their fair market value in the country of origin for the purpose of destroying an industry and competition in this country.

I will, if I have the time, call the attention of the House to several instances of unfair competition from abroad. We have upon our statute books what is known as the Sherman antitrust law, the purpose of which is to destroy or prevent monopoly in this country; to prevent large corporations from purchasing smaller ones, combining them, controlling prices, and then selling at an unfair profit to our people. But we have no law and we have no means for preventing concerns in a foreign country combining to sell their goods at a sacrifice in this country until competition here has been destroyed and thus control our markets at such prices as they wish to charge. I have in mind several instances of that kind which I can present to the House if I only have the time; among them are two presented by the now Attorney General, Hon. A. Mitchell Palmer, while he was Alien Property Custodian. He points out in his annual report that the chemical manufacturers of this country, who with American capital have attempted to produce chemicals of various kinds, and especially those used in the manufacturing of dyestuffs, have been embarrassed and have been destroyed by unfair competition from abroad. He gives a full and clear explanation of the unfair competition by German manufacturers, giving the names of the firms, the amount of the capital invested, and their location.

As illustration of unfair practices Mr. Palmer points out two different chemicals—salicylic acid and oxalic acid. He shows that American capital became invested in the production of salicylic acid at a time when such acid was selling in Germany, in round numbers, at 30 cents per pound. The import duty then was 5 cents per pound. Yet German manufacturers sold in our market, in competition with the American-made salicylic acid, at 25 cents a pound, paying 5 cents a pound duty; in other words, selling what would yield to them, less the tariff, 20 cents a pound when the price in Germany was 30 cents a pound, until our manufacturers closed their doors. Then the price went up to 30 cents and beyond that.

He points out, again, that there were five factories in this country—three owned by American capital, largely by Pennsylv-

vania residents—manufacturing oxalic acid, which was selling at 6½ cents per pound. When the three American manufacturers started up the Germans cut the price to 4.7 cents per pound, which price remained for some time. Finally the price was reduced to 2.2 cents per pound, until the three American factories closed their doors. Then the price was put back by the Germans to 9 cents per pound and finally lowered to 7½ cents per pound, where the price remained for some time. When the war came on the three American factories again opened their doors and began operations. The Alien Property Custodian discovered that one of these factories was German-owned and a branch of a large corporation in Germany, and that the reduction of the price was carried on by the German institution, and that when the institutions of American ownership closed their doors and could no longer produce the article at the price obtaining the price by the German manufacturers went back to 9 cents a pound—higher than it had been before our people began the production of the articles in this country.

I have a letter from Mr. Dow, of the Dow Chemical Co., of Midland, Mich., a town about 20 miles from my home. The Dow Chemical Co., of Michigan, is a very large institution at the present time, making chemicals from salt brine. Mr. Dow was forced to meet a very bitter and determined fight against unfair German competition aimed to drive him out of the market. Upon request he gave me the details of that fight. The letter is as follows:

THE DOW CHEMICAL CO.,  
Midland, Mich., July 18, 1919.

Hon. JOSEPH W. FORDNEY,

House of Representatives, Washington, D. C.

DEAR MR. FORDNEY: In reply to your letter of July 14, our experience with the German bromine trust was somewhat as follows:

Fifteen or sixteen years ago a German who spoke good English came into my office and introduced himself as a director in the Deutsche-Bromkonvention (Bromine Trust), and explained that the Bromkonvention was a subsidiary of the Kali Syndicate (potash syndicate). He elaborated somewhat fully on this point, explaining that the Prussian Government was a party to the potash syndicate and that the Bromkonvention was to the same extent a government institution. After some further preliminary remarks he stated that they had secured evidence that we had exported bromides. He did not complain that we had exported them to Germany, but that we had exported them out of the United States. I replied that I knew of no law in the United States that prevented Americans from exporting bromides, whereupon this German stated that he knew there was no United States law, but that he had come all the way from Stassfurt, Germany, to tell me that the Bromkonvention would not permit me to export bromides, and that if I persisted they would put 2 pounds of bromides in the United States for every 1 pound that we exported. I stated that we could make bromides just as cheap as he could, to which he replied that price was no consideration and had no bearing on the subject; that they would put 2 pounds in here for every 1 pound we exported, entirely irrespective of price.

I did not give the matter very serious consideration, and we continued to export bromides.

Some considerable time after this visit a big consignment of bromides was landed in New York and distributed by the Roessler & Hasslacher Chemical Co. at 15 cents a pound, the price in Germany being approximately 49 cents per pound and the import duty 25 per cent ad valorem. From this you will see that the price they received probably did not pay for import duty, transportation, and distribution expenses. I do not remember the American price at that time, but it was somewhere near 30 cents. Of course, many jobbers of pharmaceutical chemicals availed themselves of the opportunity of stocking up on a standard pharmaceutical product like potassium bromide, and, if I remember correctly, there was no method by which we could secure from the Government information in regard to the quantity imported. But almost simultaneously with the arrival of this bromide in the United States the same German referred to above visited one of our best customers, the Mallinckrodt Chemical Co., and Mr. Mallinckrodt wired me that he was there and asked me to join them in a conference, which I did, but would not agree to desist making exports. The Germans sold all the bromides they could at 15 cents per pound, and when they could sell no more at that figure reduced it to 14 cents, then to 13 cents, and I think the lowest offer made was 11 cents. This extended over a period of about three and three-fourths years, but in the meantime we had entirely ceased selling bromides in the United States and confined our efforts solely to the foreign market, and during the last year of that period we sold more bromides in Germany than the Germans sold in the United States, and it netted the Dow Co. very much more than the American price. Such a large quantity of bromides was brought into the United States during this time that for approximately three years thereafter there was no market in America for bromides. We, however, continued to sell moderate amounts abroad and have never desisted, and at the time Germany entered into war we had the usual amount of foreign trade, which suddenly increased to large proportions when German competition dropped out.

The only thing that prevented the Dow Chemical Co. from being eliminated from the bromide business was the high tariff, which handicapped the Germans to such an extent that they ultimately gave up the fight. If we had been less persistent and had dropped out, everybody would have said that the Americans could not compete with the Germans in this line and would have believed it sincerely.

The above are the main facts in regard to our bromide fight with the Germans, and I think more or less well known by most of the manufacturing chemists.

Very truly, yours,

HERBERT H. DOW.

I mention this instance, gentlemen, to show the unfair competition that some of our manufacturers in this country must meet.

The Alien Property Custodian points out that a chemical company in Germany—and you will find that statement on page

26 of the Alien Property Custodian's report for the year 1918—started in 1865 with five employees. That one firm in Germany to-day has a plant on the Rhine with one mile and a half frontage on the river and with 500 acres of a plant. In 1912 it employed 7,680 laborers, 307 chemists, 374 foremen, 74 engineers; had 30,000 horsepower and 42 miles of railroad within the limits of the plant. It made chemicals we purchased from Germany prior to the war, but many of which are now being made by American manufacturers. The world's production of dyestuffs before the war was \$100,000,000, 75 per cent of which was made in Germany. We consumed from 15 to 25 per cent of these dyes. We must come in competition with those great corporations when once again trade relations are fully restored between this country and Germany. They started in, as I say, with a small capital, but the Alien Property Custodian points out that that combination to-day has \$400,000,000 invested in the manufacture of chemicals in Germany.

Now, gentlemen, we are making dyestuffs in this country, we are making chemicals of various kinds in this country, that we did not make before the war. This bill will do much to protect those institutions if it is enacted into law and properly enforced. It will protect our American manufacturers against unfair competition. There is no other purpose in the bill. It will not permit a foreigner in any line of industry to come to our markets and sell his goods here at a less price than he sells them for in the country where they are made.

Canada has such a law to-day upon her statute books and strictly enforces it. If I had the time I could point out to you many instances where American manufacturers have attempted to sell goods in Canada at reduced prices and have been prohibited from doing so; have been directed to take their goods out of Canada or rebill them, reinvoice them, at their actual selling price in this country, pay an additional duty, and a penalty; either that or take the goods from Canada and cease further importations to Canada.

I have a statement which aims to explain the various provisions and sections of the bill, and will insert that statement in my remarks at this point:

The term "antidumping" is used in the title of this act as it indicates at once the popular understanding of the measure.

#### SECTION 1. MERCHANDISE.

Imported merchandise is either free or dutiable at specific or ad valorem rates. In the act the special duty applies to "merchandise" without limitation, including within its provision merchandise free, specific, and ad valorem. Merchandise sold at a fair price might be entitled to importation into the United States free of duty, but when such merchandise is sold at less than its fair market value and no equalizing duty can be assessed, its entrance into the commerce of the United States might become disastrous to the producer of like merchandise in the United States. For this reason all classes of imported merchandise have been made subject to the special duties under the dumping act. This results in the equalization of the cost to the importer to the price of the American producer, providing that the action of Congress was correct in placing the article on the free list.

The bill should include such merchandise as is now assessed under the tariff act with specific rates. Specific rates do not, if their effect is proper, do more than equalize the cost of the foreign product to that of the domestic. Without the imposition of a special duty on goods subject to specific duties, unfair competition by reason of sale at a dumping price would bring imported merchandise into this market at a lower price, which might injure and destroy competition by an American produced article.

#### THE CLASS OR KIND.

The class or kind subject to special duties will be promulgated by the Secretary of the Treasury after investigation and comparison of the class or kind produced in the United States. This provision will make a definite classification for the appraising officer and the collector as to the imported merchandise upon which special duties shall be levied.

In the preparation and determination of the class or kind the Secretary of the Treasury will have to avail himself of the expert knowledge of the merchandise customs examiners and other Treasury investigating officers. The merchandise examiners form a body of experts, familiar with merchandise conditions throughout the world. This body of experts, on account of their long experience, would be best fitted to advise the Secretary of the Treasury. In our opinion it would be very difficult, and only after a long lapse of time possible, to build up a new force to determine comparability without using this splendid nucleus of expert knowledge.

Merchandise may be of a kind or class identical to a class or kind made in the United States, but not comparable from a dumping standpoint. To illustrate: A high-grade china might fall into the class or kind that includes low-grade china, semi-porcelain, or earthenware, but if it is art china, not made in the United States, it would not be in competition. On the other hand, dinner ware manufactured in Limoges, France, or its imitation made in Japan, would come on the market in direct competition with the same kind of dinner ware made in the United States. Hotel ware also comes into competition with American hotel ware.

#### DEFINITIONS.

Sections 2 and 3 explain themselves. Sections 4, 5, 6, and 7 are definitions defining the terms "foreign home values," "values to countries other than the United States," "cost of production," and "sales price," thereby saving considerable phraseology and repetition in referring to their application later on.

#### SECTIONS 4 AND 5.

#### FOREIGN HOME VALUE—VALUE TO COUNTRIES OTHER THAN THE UNITED STATES.

Foreign home value is the first value to ascertain. If that value can be secured and the export price to the United States is maintained at that level there is no dumping, provided the value in the home country is the open value to all and not a restricted, conditional, or special value. Any deviation by lowering of price for sales to the United States would indicate and establish dumping. The value to countries other than the United States, in the absence of a foreign home value, should be the first alternative. It is quite manifest that the price at which merchandise is freely offered and openly sold to all countries other than the United States must constitute a fair return in value for the product sold. The provision to section 4 is important. Merchandise may not be sold in the country of production for home consumption; and therefore the price to countries other than the United States would be resorted to if it exists. In such event, if a concession in the form of rebate or the nonimposition of import duties is made, the provision in section 4 will make it mandatory to add to the export price any unpaid or rebate import duties to establish what may be termed a constructive home market value. This does not apply to an excise tax, for such tax has no relation to the value in connection with dumping.

#### PACKING CHARGES.

To the foreign home value or the value to countries other than the United States, the cost of packing and packing charges are added. In comparing either of these values as against the export value to the United States, packing charges must be taken into consideration. In some lines of goods their relation to the value is very high. When an export price to the United States is compared with the foreign home value or the value to countries other than the United States, packing and packing charges must be either included in both values or, if not, eliminated from both.

#### WHOLESALE QUANTITIES.

Under the present law market value is found in the usual wholesale quantities of the home country. It will be noted under this section that market value is found in the foreign country on the basis of the usual wholesale quantities of the same kind or class as sold to the United States. The purpose in substituting the wholesale quantities in the United States instead of the wholesale quantities in the foreign home market is to obviate the determination of value in retail quantities, which may be the wholesale quantity in which ordinarily bought and sold in the foreign market of production or sale. To illustrate: Books are sold in England in quantities of probably a dozen direct to the bookseller. The price in such quantity is far in excess of the price at which the publisher will sell in usual wholesale quantities to markets other than the home market. It can scarcely be contended that the price at which he sells the far greater part of his production is a dumping price simply because the merchandise is to be exported, and that the fair wholesale price is in the limited quantities in which sold in the home market.

In many countries, owing to the proximity of the market of production to the place of consumption and the absence of the jobbers as known in this country, the purchasers buy in extremely limited quantities. It is quite usual in England for the manufacturer to sell directly to the consumer in quantities as low as one. It would be very unjust to take the price at which the manufacturer sells one, which may be the usual wholesale quantity of the country of production or sale, and compare it with the price at which he sells the far greater part of his product to the United States, and because of the higher price at which he sells the one, assess a special duty under



the dumping act, where, in fact, no dumping has actually occurred and the price for export is a fair market price in the quantities in which sold to the United States.

#### SECTION 6.

The "cost of production" defined in this section is the third alternative. The foreign home value is first. If none exists, then the foreign value to countries other than the United States is resorted to. In the absence of these two values, the only method left to establish a value is through the medium of the cost of production, which involved the determination of cost of material, labor, and general expense of the merchandise similar in material and production or manufacture. The material, labor, and general expense are definite factors to establish as pertaining to a particular manufacture or article, but the addition of profit may involve dumping. The manufacturer in the foreign country, desiring to get into the American market, may make a very low price; he may even sell without any profit at all, or he may sell at a price even lower than the bare cost of production. Consequently it must be ascertained whether in addition to his costs he has added a fair profit. Section 5 provides that the profit to be added to the costs of material, labor, and general expenses is the average profit of manufacturers in the market of production producing articles from like material by similar methods of manufacture or production. In this manner the constructive home-market value is reached, it being assumed that manufacturers selling in the home market must add to their costs a legitimate profit to establish their selling prices in the home market. To illustrate: A particular style of ladies' handbag made of leather may be manufactured in France and sold only to the United States. No market value existing in the home market or for countries other than the United States, the cost of production must be established. The factors of cost can be ascertained from the books of the manufacturer, but to determine the amount of profit that should be legitimately added to make a fair home-market value the investigator would have to turn to the leather manufacturers in France, who, although they did not make the particular style of handbag for ladies, or possibly not any kind of handbag, would be making leather goods of like material and construction to the leather bag, and their manufacturing profits would be added to the cost established.

#### SECTION 7.

##### (A) SALES PRICE.

The true market value for home consumption or to countries other than the United States, or in the absence of these values, the cost of production having been found, such result must be compared with the sales price to the United States to establish whether the special dumping duty is to be assessed. This sales price must be the true price, and not a disguised price or simply an invoiced price. The special duties being 100 per cent of the difference between the sales price and the home-market value, and the import duties only a fractional part, the importer would be quite willing to invoice at the higher price, in order to avoid payment of a special duty. The price to the person in the United States buying the merchandise abroad on the face of it would appear to be the true price. However, if the person in the United States had an interest in the business abroad, or if the business abroad was one and the same with that in the United States, although both under separate entities and incorporated under the laws of the two countries, it can readily be seen that almost any price could be agreed upon as a sales price and the merchandise actually billed and paid at that price, and any losses adjusted at the end of the year by transfer of moneys, entirely unknown to the officials charged with the imposition of the special duties. For that reason the definition in A is set forth, limiting one of the sales prices to the person in the United States only if such person in the United States has no financial or other interest in the business of the shipper. The purpose for this exception is to forestall a practice whereby a foreign manufacturer may seemingly sell at a price which is fair home-market value, but subsequently make adjustments by credits and debits in his books for any loss incurred through the sale of the merchandise at prices less than the invoice value plus charges incurred in placing the merchandise in the hands of the buyer.

##### (B) SALES PRICE.

This subsection shows how the appraiser in instances where the person in the United States has an interest in the foreign business can disregard the apparent sales price and take the sales price of the importer in the United States, and after subtracting from that price the expenses incurred in placing the merchandise in the market of the United States will reach the real sales price at which the merchandise entered into competition with comparable merchandise in the United States.

##### (C) SALES PRICE.

This subsection defines how the sales price shall be found when the merchandise is shipped to the United States consigned or otherwise than by purchase. It can be readily seen that the manufacturer in the foreign country consigning his merchandise to the United States may consign on his consular invoice at the full foreign market value, let us say \$1, and after the arrival of the merchandise in the United States dispose of it really at 90 cents or any lower price he desires. This is a condition which has never been provided against or obviated by any dumping law, and is the most important of all.

#### SECTION 8.

##### DATE OF SALE.

The present law provides that the market value is to be determined as of the date of exportation to the United States. Under this act provision is made that the foreign home value for goods actually purchased is to be found on the date of sale, distinguished from the present tariff law as on the date of exportation. For goods coming into the United States secured otherwise than by purchase or on consignment under this definition foreign market value is taken on the date of exportation, as there would be no date of sale, and the date of exportation would be the only date that it entered into competition.

Merchandise is rarely shipped on the date of its purchase. Shipment takes place a week or two or six months thereafter. The merchandise may not be in existence at the time of purchase, but to be manufactured for future delivery. During the time elapsing between date of purchase and the date of shipment the foreign home value may change, but to what extent no one knows. It may be higher; it may be lower. The importer in the United States, in order to conduct his business intelligently, must know very closely what the merchandise is to cost. If by reason of a change in price special duties are to be imposed it will be impossible for any importer to do business. The imposition of special duties between the price at the time of sale and the price six months hence will mean that the importer is not buying his merchandise at the price set at the time of purchase but at some unknown price in the future.

To establish whether dumping has actually occurred necessitates a comparison between the sales price and the foreign home value. This determination should be made by comparing the two values on the same date. The date of exportation has not been adopted, in view of the desirability of determining the relative prices for export and for home consumption on the same date.

#### SECTION 9.

The special duty is the difference between the sales price and the values provided for in this act on the date of purchase and sale. This in some instances may lead to the incongruous position that a special duty is imposed with the price on date of exportation lower than the market value on date of sale. It was originally contemplated to incorporate a proviso in section 9 that whenever the values on date of exportation were lower or equal to the sales price that no special duties shall be imposed, but upon further consideration it is deemed advisable to leave it out. Dumping occurs when merchandise is sold at less than its fair market value at the time of the transaction. A further argument in favor of the imposition of the special duties without regard to the market value condition on date of exportation is the fact that, as a rule, merchandise is produced previous to the exportation, and that merchandise manufactured in the United States on the same date must have relative costs similar to those in the foreign market.

The reduction of a price is usually the reflection of the lowering of some element of cost and should have no effect on merchandise which may be quoted on the date of exportation at a lower price as a result of the existence of merchandise created at a higher cost or to be created on the basis of lower cost. To further illustrate: Merchandise manufactured coincidentally in the domestic and foreign markets; the difference of costs are presumably equalized by the imposition of an import duty. Involved, however, in the transaction in the foreign market is the element of sale at lower than the proper market price. For that purpose a dumping duty is provided. If the imposition of the dumping duty is not enacted the merchandise produced in the United States is meeting the unfair competition resulting from the dumping.

If in the judgment of Congress it is deemed desirable that no dumping duties shall be imposed in the event of a reduction in the market value between date of sale and the date of exportation, a proviso should be added to section 7, as follows:

*Provided*, That whenever the values on date of exportation are equal to or less than the sales price the special duty provided shall not be levied or collected.

## SECTION 10.

This is the authority for the appraiser, or the person acting as such, to find either one of the three different values and the sales price. This authority is necessary, as the present law does not authorize the appraiser to find other than the market value on the date of exportation.

## SECTION 11.

This authorizes the appraiser to find the sales price after the merchandise has been imported. This provision is most important, as without it dumping can not be prevented.

Sections 12, 13, 14, 15, and 16 are authority for the collector to assess the special duty and authority in cases of appeal, by either the importer or the collector, and for the general appraiser or the boards of general appraisers to find the particular kind of value provided for in this act. The already created tribunals for customs appeal are under this act authorized to determine the necessary values, and the machinery for this is set forth in practically the same phraseology as now appears in our present tariff act, paragraph M, section 3.

## SECTION 17.

This section reaches the importer, the only person that can be reached, and denies him the right to import if his shipper or manufacturer refuses to open his books. To forbid the foreigner to send the merchandise to the United States might involve this country in serious controversy. Investigating officers are at present not clothed with the proper authority. Many foreign shippers do not respect nor accede to the request of a properly authorized Government officer that the papers and books be placed before him for inspection to ascertain facts necessary for proper appraisement.

The inability of investigators abroad to compel foreign manufacturers and shippers to open their books and give true values has been responsible for a large percentage of undervaluations. Where duty is based on value it is readily understood that if such value can not be ascertained, either by reason of an insufficient number of investigating officers abroad or through lack of authority for investigating officer to demand an inspection of the records of the sale, the administration of the law is greatly hampered. There are many instances where foreign shippers or manufacturers have refused to give the United States Government any information as to their foreign home value or values to countries other than the United States. As a result of such refusal no penalty has been imposed. If the merchandise were stopped at the border or turned back from the customhouse, the foreign shipper would soon realize that he will either comply with the laws of the United States or discontinue seeking business in the United States. At present our foreign investigators are given only what the foreign shipper desires to give them, and their work, for the reason that there is no way to enforce their demands, is very hard.

Along these lines a speech reported to have been made before the German chamber of commerce is inserted for information. Appraising officers say, whether this speech was actually made or not, that it expresses exactly the attitude of the German manufacturer or shipper and the attitude of many manufacturers and shippers in other foreign countries.

## SECTION 18.

This is the same as 17, differing only in that it gives authority to secure the sales price in the United States. It is fully as important as section 17.

## SECTION 19.

The present law requires that the purchase price be set forth on consular invoices where the goods are actually purchased and the market value where the goods are consigned. For the purpose of this act it will be necessary for the foreign exporter to place upon the invoice, in addition to the purchase price, either the home value or the value to countries other than the United States at date of sale, and, in the absence of either of these values, the cost of production at date of production. Such statement on the invoice will greatly expedite the passing of the goods and the return of the invoice by the appraiser.

## SECTION 22.

We, the committee, believe that the special agents or other officers having expert knowledge of the administration of customs laws should be limited as far as practicable to those in the service, going out of the service and appointing from the civil-service list when such officers are not available. This will lead to better administration.

Mr. BANKHEAD. Mr. Chairman, would it disturb the gentleman to ask him a question right there for information?

Mr. FORDNEY. No, sir.

Mr. BANKHEAD. This is rather a complicated piece of machinery that is set up in this bill. I would like to have stated the method of determining the method of unfair rates, and upon

whom that responsibility rests, and how it operates, or will operate, under this bill.

Mr. FORDNEY. We called upon the Secretary of the Treasury, and he very kindly permitted us to have the benefit of experts employed by the Government in the customs offices in New York, men who have been in the employ of the Government for 30 years, and who are very thoroughly conversant with the facts that would be brought out if this bill becomes a law. The bill gives the power to the Secretary of the Treasury to appoint proper officers to send abroad to any country in the world to investigate books of foreign firms and see at what price certain goods are sold in the country where they are made, and on their failing to give our representatives that information the Secretary of the Treasury is directed to prohibit the importation of that company's goods until we do get that information. Then if goods are imported into this country contrary to the provisions of this law, and the importer knowingly violates the law, he makes himself liable to fine and imprisonment. If he pays rebates contrary to law, he subjects himself to fine or imprisonment. Power is given to the Secretary of the Treasury to prohibit, as I have said, the importation of such goods made by people violating the law or refusing to give us the necessary information or the right to examine their books or their records.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman.

Mr. HARDY of Texas. There has been quite a good deal of statement and complaint to the effect that American manufacturers did this same thing.

Mr. FORDNEY. Yes.

Mr. HARDY of Texas. That they have marked their goods here at one price, and in order to get into the markets of foreign countries they have reduced the price there far below the price in this country.

Mr. FORDNEY. Yes.

Mr. HARDY of Texas. Have any of the foreign countries other than Canada, as mentioned by the gentleman, taken any steps providing for the inspection of the books of our manufacturers?

Mr. FORDNEY. Yes. Australia and New Zealand and the Union of South Africa have enacted such laws, but I believe no other country. I have frequently heard that American manufacturers often sell abroad cheaper than they sell at home; but there is less opportunity for the American manufacturer to sell abroad at a lower price than he sells here, as compared with the foreigner, because of the difference between our cost of production and the cost of production abroad. Our goods cost more on account of our higher labor cost—which is higher than the labor cost of any country in the world—and therefore we have less opportunity to sell at a sacrifice price abroad than foreigners have to sell at a sacrifice price here. But I believe this has often been done by our manufacturers, and we know of many instances where foreigners have practiced the same thing here. In order to run their establishment at the lowest possible cost of production, manufacturers find the best way is to run the entire plant at full blast. Many times a manufacturer finds himself with a surplus of goods on hand, made under those conditions. His output in this country exceeds the demand for his product here and he finds his warehouse filled to overflowing. In such a situation there is but one of two things to do, either to close down until he works off that surplus product or to dump the goods somewhere in the world at a sacrifice in price.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield again?

Mr. FORDNEY. Yes.

Mr. HARDY of Texas. Could not the American manufacturer also reduce the price at home as well as abroad, and let the American people get the benefit of that surplus as well as the foreigner?

Mr. FORDNEY. Well, I will say to the gentleman that once upon a time Mr. Schwab came before the Committee on Ways and Means when our honored Member, Mr. CLARK of Missouri, was a member of that committee. Mr. CLARK said to Mr. Schwab: "I understand you sell steel rails abroad cheaper than you sell them in the United States. Is that true?" Mr. Schwab said, "No; that is not true." He said: "There had not for 10 long years been a pound of steel rails sold by an American manufacturer in any steel-producing country in the world except some sold by our company, the Bethlehem Steel Co., to northwestern Canada, for which we received \$2 per ton more than we received in this country."

Then the question came up, if there was a reduction in the price, why not first reduce it to the home consumer? He re-



plied: "Our best market in the world is at home within a certain zone, in the territory surrounding our industry, and if we can not sell to the people in that territory at a profit we can not sell to any people in the world at a profit. Therefore we must maintain a price at which we can obtain a profit where we must look for the major portion of the sale of our product. So we can not reduce the price to our home customers and hope ever to make a dollar in the business. For that reason we maintain the price to our own people at home and dump our surplus product abroad in order to keep running and employ our labor and manufacture at the lowest possible cost."

Mr. HARDY of Texas. Then, the long and short of it is that they do sell higher here than they sell abroad—our own American manufacturers?

Mr. FORDNEY. No; I do not say that. I say we can not do that in Canada, we can not do that in Australia, we can not do that in any country that has an antidumping law, because they do not permit it if they know we are selling at sacrifice prices.

Mr. HARDY of Texas. Would the gentleman have any objection to incorporating in this bill a kind of mutuality, that whereas we forbid others to dump here we forbid our own manufacturers to dump elsewhere?

Mr. FORDNEY. No; we can not control export prices, nor should we try to. I have said that although we have to-day the Sherman antitrust law, which forbids combinations in this country to exact unfair profits from our people, we have no law whatever upon our statute books that protects our people against foreign combinations to put our industries out of business and then put the prices as high as they choose, as has been so fully set out and so clearly demonstrated by the report of the Allen Property Custodian, which I call to your attention and ask you to read.

Mr. HULL of Tennessee. Will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman from Tennessee.

Mr. HULL of Tennessee. The principal purpose of this bill, as I understand it from a very slight examination—for I was not able to participate with the committee in its consideration—is to protect the manufacturers or producers in the United States against "dumping" by those who produce similar articles in other countries, is it not?

Mr. FORDNEY. Yes; that is the sole purpose of the bill.

Mr. HULL of Tennessee. Does the gentleman place the construction on section 9, on page 5, that where articles are exported from other countries to the United States, which articles are not produced at all in the United States, the purchaser in this country would be required to pay a price equal to the price paid in the country from which the product is exported?

Mr. FORDNEY. No; but the invoice price is fixed for the purpose of collecting the correct amount of revenue on these imported goods.

Mr. HULL of Tennessee. In that connection, there are many articles imported into the United States and consumed here which are not produced in the United States?

Mr. FORDNEY. Yes.

Mr. HULL of Tennessee. Or if produced here are only produced in inadequate quantities?

Mr. FORDNEY. Yes.

Mr. HULL of Tennessee. Some of these same articles are shipped from the country which produces them and sold in other countries at prices lower than the domestic price. Now, under this bill would the American purchaser be required to pay the higher price which the domestic level suggests, or would he get the article at the lower price level at which the article is sold in other countries?

Mr. FORDNEY. My understanding is that the bill attempts in no way to fix the price on a noncompetitive product except for the purpose of collecting revenue. Revenue should be collected on noncompetitive products at the price for which they sell in the country of production, not the price for which it might be sold to foreign countries. That is for the purpose of collecting the correct amount of revenue due to our Government. For that purpose this measure would compel them to show on the invoice the price at which the article is sold in the country where it is produced.

Mr. HULL of Tennessee. I call the attention of the gentleman to this point, because I am not sure whether it would be fair to the business of this country, which purchases from abroad articles and commodities that we do not produce here for the purpose of manufacturing or otherwise consuming them, when it finds those articles are being exported from the country of production and sold at a lower price than the domestic price, to be compelled to pay the domestic price while other countries which purchase the article pay the lower price.

Mr. FORDNEY. I will say to the gentleman that the purpose of the bill is not that at all. Suppose we are importing an article like coffee from Brazil. We do not produce coffee in the United States. Suppose we find that Brazil is selling coffee in Brazil at 5 cents a pound, but in some foreign country at 4 cents a pound. If it was an article which paid duty—which coffee does not—then we would compel them to place on the invoice of the shipment to this country the price at which the article is sold in Brazil, in order that we might collect a duty on 5 cents a pound instead of on 4 cents. But the bill in no way attempts to fix the price at which noncompetitive articles may be sold in this country, because if they are noncompetitive articles then we want them sold to our people at the very lowest possible price for which we can buy them.

Mr. HULL of Tennessee. Just one word further, if the gentleman will permit.

Mr. FORDNEY. Yes.

Mr. HULL of Tennessee. Take the case of coffee. Suppose Brazil sold coffee in her domestic markets at 8 cents a pound. Suppose she prices it to the American purchaser at 7 cents a pound. Suppose she prices it to a purchaser in England and other countries at 6 cents a pound. Under that state of facts, when we apply section 9 of this bill, the American purchaser would have to pay, because of the revenue proposition, the difference between the price in Brazil and the price at which it is sold at home, although he ought to be allowed to purchase it at the price at which it is sold in England and other countries.

Mr. FORDNEY. I assume that if there was an instance where an article was sold in this country at a price less than that at which it is sold in the country where it is produced, if it is a noncompetitive product, we would in no way attempt to interfere with the price, but I do not believe any foreigner will sell his goods here at lower prices than at home if he has no competition here, which would be the case in noncompetitive articles.

Mr. REAVIS. Will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman from Nebraska.

Mr. REAVIS. Would the gentleman from Tennessee have any reason to apprehend that a foreign producer sending his product into this country, where there was no competition, where he had an exclusive field for his product, would be inclined to charge less for it here under those conditions than he would charge at home?

Mr. FORDNEY. No; the chances are that he would not sell for any less than he could sell at home, because he would enjoy full control of the market in this country on a noncompetitive product. He competes only with his own neighbor or some man from a foreign land.

Mr. KITCHIN. Will the gentleman from Michigan yield?

Mr. FORDNEY. I yield to the gentleman from North Carolina.

Mr. KITCHIN. The gentleman stated that where the article is noncompetitive—that is, where the article that is imported is not produced in the United States—this bill does not apply. That, of course, was the intention of the committee, but in reading the bill very carefully I think the committee omitted one very important amendment which should go into the bill to carry out the gentleman's idea.

Take coffee; coffee is free. If they are selling coffee in Brazil for 10 cents a pound and they offer to sell it to our people for 8 cents a pound, we ought not to object, because it is a noncompetitive article. Tea is the same way.

Mr. FORDNEY. And rubber.

Mr. KITCHIN. I think to cure that I would suggest this amendment, which the gentleman and the committee can think of: Add to section 9, page 5, these words, "Provided, That this section shall not apply to any article the like of which is not produced in substantial quantities in the United States."

That would cure it and do what the committee intended.

Mr. FORDNEY. I do not know that there is any serious objection to that amendment, but the bill has been carefully prepared, and I believe that we should be very careful about amendments.

But this is the point: I do not know of any article imported into this country, noncompetitive, which is not on the free list. Tea, coffee, and rubber are articles that we do not produce in the United States and are on the free list and would not be affected by this bill.

Mr. KITCHIN. Yes; the bill states in section 9—and I did not notice that in committee—that "whenever merchandise, whether dutiable or free, is exported to the United States," and so forth. The word "free" ought to go out.

Mr. FORDNEY. No; I do not think that language ought to go out, and for this reason: There are many articles that are admitted free of duty that are competitive, and if they

are competitive products, then the principle should apply and the penalty should apply if the articles are sold at a less price in this country than in the country where they are produced.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. SMITH of Michigan. Have we not an antidumping law in this country?

Mr. FORDNEY. We have an antidumping law, enacted in 1916 in the revenue bill, but that law is inoperative, for the reason that a conspiracy must be proven between the exporter and the importer to lower the price for the purpose of destroying or injuring an industry in this country. That is impossible. You might be an importer of an article from abroad and the man in the foreign country offer you goods at a certain price. You know nothing about what the price of the article is in the country where it is produced. You buy because the price is attractive. It could not be proven that you had entered into a conspiracy to destroy an industry simply because you purchase the goods cheap. Therefore in not a single instance, so I am informed, has the law been enforced since it was enacted in 1916. It is not obligatory on the Secretary of the Treasury to enforce that law. This bill, if it becomes a law, directs the Secretary of the Treasury to proceed either to collect the extra amount of duty under the penalty imposed or prohibit the importation of the article altogether until a satisfactory settlement can be made by the importer or exporter—the foreigner. That is exactly what Canada does to-day.

I will give you an illustration on that point: There is a pottery manufacturer in New Jersey making lavatory or toilet stools, which are sold in this country at \$5 each. He had a large surplus on hand and he sent a large consignment to a firm in Canada at \$3 apiece. Immediately the Canadian Government sent a man to this pottery in New Jersey for the purpose of examining the books as to the price these articles were sold for in this country. The proprietor refused to let him see the books. The agent said, "I am going to the hotel and will be there until 10 o'clock to-morrow morning; if you want to see me you will find me there."

Late in the evening the manufacturer received a telegram from the party in Canada to whom he sold the goods, saying, "I am forbidden to unload the goods; what is the trouble?" He called on the agent at the hotel, and the agent said, "You will take your goods out of Canada or let me examine your books, because we are under the impression you are selling in Canada at a price less than you sell in the United States." The manufacturer admitted that that was true.

Then he was given the privilege of paying the duty and 50 per cent penalty, or taking his goods out of Canada and staying out.

That is very strict, very rigid, very proper, and a good protection to the industry in Canada. That is exactly what this bill does. It places the power in the Government of the United States to do that very thing and prevent unfair competition.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. SMITH of Michigan. There is nothing in the bill to prevent the manufacturer from selling his goods at any price he wishes to in a foreign country, provided the foreign country does not complain about the price?

Mr. FORDNEY. He can sell his goods at any price obtainable, but they can not sell goods in our market for the purpose of destroying an industry here by selling at a price less than they sell for where the goods are produced. That is the whole gist of the argument in this bill.

Mr. HULL of Tennessee. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. HULL of Tennessee. I am trying to get set right on the question I raised awhile ago and which I think the gentleman from North Carolina [Mr. KITCHIN] takes the same view that I do. Section 9 in this bill says:

That whenever merchandise whether dutiable or free is exported to the United States of the class or kind provided for in this act.

Here is the opening language of the Canadian law which I think is most drastic:

In the case of articles imported to Canada of a class or kind made or produced in Canada—

There is a difference in the language as there is in some other provisions in the bill.

Mr. FORDNEY. There are other provisions covering that same language, but it only applies when made applicable to dutiable and free goods when the free goods are competitive products. For instance, to-day wool is an article on the free list but produced in this country, and is a competitive product.

Mr. HULL of Tennessee. One further question in that connection. The gentleman expressed it as his opinion that this

bill applies only to imports that are competitive. To what extent would a domestic product have to be produced in this country to be considered competitive?

Mr. FORDNEY. The bill provides in proper language in any reasonable or appreciable quantity. That is to say, an article made only occasionally in this country, or in a negligible quantity, perhaps, would not be considered, but that is left somewhat to the discretion of the Treasury officials. I think the language of the bill leaves it that way. I hope when this bill comes to a vote there will not be a man on either side of the House who will vote against it, because I think it is absolutely equitable and it is nonpartisan, and there should be no politics in the matter at all. Its only purpose is to protect the industries of the country against unfair competition. All that the industries of this country can ask in the way of a duty on an article subject to import duty is a duty sufficiently high to offset the difference between the cost of production abroad and the cost of production here. That is all that any manufacturer in this country ought to ask and that is all he is entitled to. If he is put on a fair basis with his foreign competitor, he ought to be able to control the markets of the United States as against the foreigner, especially so when conditions prejudiced as at present exist between this country and some foreign countries.

Mr. DEWALT. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. DEWALT. The provisions of section 9 are, in brief, this, as I understood the gentleman, that where an article is to be sold in this country at a less price than it is sold in the producing country, an equalization shall be made by way of the imposition of a duty to equal a price at which it is sold in the country producing it. Is that correct?

Mr. FORDNEY. Yes.

Mr. DEWALT. Would not the effect of that be—and I am asking the question for information—to increase the price in this country to the consumer?

Mr. FORDNEY. No. I wish to cite instances related by the Allen Property Custodian. He is a very high-class gentleman, for whom I have the highest regard, Hon. Mitchell Palmer, a good Democrat, as you gentlemen know, a long-time Member of this House. I have faith in the man's good intentions and in his honesty and fairness. In his report he points out the necessity for protection to our institutions because of unfair competition, and he cites that unfair competition. He sets forth fully that the industries in this country were destroyed by unfair competition from German manufacturers, and he calls the attention of the country to the fact that those institutions have been entirely undisturbed by the war; that they have \$400,000,000 invested in those factories running to-day, or ready to run, and anxious—more so than ever before—to dump their products upon our markets and control our markets for the reason, more than at any time in the past, that Germany needs money. Germany's public debt to-day is 55 per cent of her total wealth, all caused by this war. She is in greater distress financially than any other people or any country in the world, and therefore she will seek our markets and will resort to anything and everything to control our markets and stifle competition here, and once in control will exact from our people high prices, as in the past.

Mr. DEWALT. Granting the effectiveness of the gentleman's argument, and granting the necessity for some such protection, is not the result precisely what I have tried to state, that when you impose the duty on the imported article here to equalize the price, namely, impose a duty equal to the price at which the article is sold in the foreign country, that instead of reducing the price here the effect will be to raise the price to the consumer in this country?

Mr. FORDNEY. That will be true if the foreigner after stifling competition here will sell his goods at the lower price, but as set forth by Mr. Palmer in his report, immediately after destroying competition here the foreigner put the price higher than ever before and exacted the difference in price from our people, because our people had no other market in the world to go to but that foreign market. Take the case of oxalic acid, which sold at 6½ cents a pound when our producers at home were compelled to go out of business because of that unfair competition. When that was accomplished the Germans immediately put the price up to 9 cents a pound—higher than ever before.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. HARDY of Texas. It seems to me that the gentleman has not yet answered the question.

Mr. FORDNEY. If I have not made myself clear, I want to say this, that if after destroying American competition the



foreigner sells his goods in this country at the price at which he sells them at home, which would yield him a fair profit, then it would have a tendency to increase the price to the consumer if we destroyed that foreign competition, but generally that is not the result; that is not what happens.

Mr. HARDY of Texas. The question that I was about to ask was in a case where there was no domestic competition.

Mr. FORDNEY. Then this bill does not apply.

Mr. HARDY of Texas. Just one moment. Section 9 provides, in effect, if I understand it rightly, that goods admitted, either dutiable or free, shall have the amount of tax imposed upon them that represents the amount they are sold for here less than what they are sold for at home. Take coffee, for instance.

Mr. FORDNEY. Let me answer the gentleman right there, because I think I see his point, and I want to answer it thoroughly and correctly if I can. The bill provides for goods dutiable and free, but that should apply only, and would apply only, to such goods as come in competition with articles made here, a competitive product, and would not apply to a non-competitive product.

Mr. HARDY of Texas. Will the gentleman refer me to the part of the bill which makes it apply to goods produced in this country only?

Mr. FORDNEY. There is such language in the bill, although I can not put my finger upon it now. The provisions of the bill apply only to an article that comes in competition, the kind or like of which is made in this country. If the kind or like is not made here, then the bill does not apply.

Mr. HARDY of Texas. When it came to the question of determining whether the goods were in competition, you might be able to utilize products filling the same use and say that they are competitive.

Mr. FORDNEY. If it were an article that came in competition or a like article, then it would apply, because a foreigner could destroy that competition here.

Mr. HARDY of Texas. Will not the result of that liberal interpretation of competition be that all articles will practically be subject to this same section 9?

Mr. FORDNEY. No; I would not say so; and neither did any of the experts who were here and who spent eight days with me in preparing this bill. There were three gentlemen from the customs office in New York, who were very clear and very thorough in their knowledge—Mr. Davis, who had been in the employ of the Government for 29 years; Mr. Fix, for 30 years; and Mr. Wolfe, for some twenty-odd years, as I remember.

Mr. REAVIS. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes; although I am consuming too much time.

Mr. REAVIS. The first section of this bill provides:

That the "special duties" provided for in this act shall be levied upon all articles imported into the United States of a class or kind identical or comparable with a class or kind made or produced in the United States.

Mr. FORDNEY. Yes, sir.

Mr. REAVIS. That now constitutes a restriction of that kind?

Mr. FORDNEY. Yes, sir.

Mr. HARDY of Texas. Where is that?

Mr. REAVIS. On the first page of the bill, section 1.

Mr. FORDNEY. Under the five-minute rule I will answer any questions any gentleman may ask, if I can. [Applause.] In the course of my remarks I have made several references to the instances of unfair practices and dumping set forth in the annual report of Hon. A. Mitchell Palmer as Alien Property Custodian, and I will append some quotations from the report in question.

On pages 30 and 31 of this report Mr. Palmer makes the following statement with reference to the dumping of dyestuffs in the United States:

Overproduction led to determined effort to establish and maintain a large export trade. The natural advantages of the German industry, as compared to the industry in other countries, prevented serious competition in Germany itself. The Government's tariff and other policies enabled home prices to be kept up. It was then evidently to the advantage of any manufacturer to produce more than he could sell in the home market, even if his export trade had to be carried at a loss, when by doing so he could use a process so economical that its profits on home trade would be largely increased. Accordingly German dyestuffs began to appear in every country at prices which domestic manufacturers could not meet. The inevitable result was that in country after country the domestic manufacture was destroyed or stifled in its cradle. As soon as this had been accomplished it was no longer necessary for the German exporter to sell below cost. Prices were immediately raised and handsome profits realized.

The methods under which this dumping policy was conducted, and its extent, may be illustrated by a few specific instances. Most of these occurred in branches of the chemical industry other than the manufacture of dyes, for the simple and sufficient reason that in this country, at least, the dyestuff industry never reached the point where it required much discouragement.

The report then proceeds to point out that in 1910 a group of men in the United States engaged in the manufacture of aniline oil, then selling at 11½ cents, and the Germans immediately began underselling this product, one of whose customers refused "an advantageous contract at 8½ cents, stating that he had assurance from the Germans that whatever price the Benzol Products Co. made would be met and bettered by them." This company struggled along without profits until the war gave it an opportunity to establish its business on a firm foundation.

In his report Mr. Palmer continues:

In 1903 there were in the United States five manufacturers of salicylic acid. By 1913 three of these had failed. \* \* \* During the latter part of the decade referred to salicylic acid was selling in Germany at from 20½ to 30½ cents. During the same period the German houses were selling it in this country, after paying a duty of 5 cents, at 25 cents, or from 6 to 10 cents below what they were getting at home.

Of oxalic acid the report says:

In 1901 where there was no American manufacture it was sold by the Germans at 6 cents. In 1903, when the works of the American Acid & Alkali Co. was started, the price was immediately dropped to 4.7 cents, at about which figure it remained until 1907 when the American factory was shut down for a number of months. During this shut-down the price was instantly raised to 9 cents. When the factory reopened the price was again dropped until in 1908, when the company failed.

The same process was carried on in regard to bicarbonate of potash. In 1900 there was no manufacture, and imports ran about 160,000 pounds. In 1901 American manufacture began. This succeeded so well that in 1906 imports had dropped to 45,000 pounds. At this time the American manufacturer's price was 6½ cents, while the import value was given at 4.9 cents. In the following year the Germans made a determined and successful onslaught. Their import value was lowered to 2.2 cents with the result that, instead of 45,000, 310,000 were imported. Accordingly in 1908 the American manufacturer failed. The price was immediately raised to 7½ cents and remained thereabout until the war.

Does the gentleman from North Carolina wish to use some time?

Mr. KITCHIN. No. Where is the gentleman from Idaho? I thought that he was to come in for 40 minutes. Let these other gentlemen—

Mr. FORDNEY. If agreeable, I will yield 30 minutes to the gentleman from Ohio [Mr. LONGWORTH]. I yield that time to the gentleman from Ohio [Mr. LONGWORTH]. [Applause.]

Mr. LONGWORTH. Mr. Chairman, apart from its somewhat technical administrative details this bill is extremely simple. It provides that whenever goods are exported into the United States and sold here for less than their home value, or when that is not ascertainable the price for which they are sold in other countries, or if that can not be ascertained, then their cost of production, a duty shall be imposed upon them, in addition to all other duties, equal to the difference between the sales price here and the foreign home value, the value to countries other than the United States, or the cost of production, as the case may be. In other words, it is designed to prevent the capture of the American market by countries who are willing to sell their goods here cheaper than they sell them anywhere else.

This is good legislation. It is in line with that recently enacted and in process of enactment by many other countries to prevent the destruction of the home market for the home producer. It would be wise legislation under any conditions, but particularly so in anticipation of the return of peace conditions and the resumption of international competition. More than that, its passage becomes absolutely imperative, to my mind, in the face of the tariff policy announced by the President in his recent message to Congress, for without it there will be for the next year and a half no barrier to the inroads of the products of the world except that afforded by the entirely inadequate duties provided in the Underwood law. In that message the President went further than he has ever gone before in the direction of pure and absolute free trade. He virtually announces that he will veto any measure which has for its design the encouragement, by the use of the tariff or other measure for the restriction of imports, of any American industry except only the dyestuff industry. The position that the President now takes upon the tariff question is a complete reversal of that taken as late as the middle of the summer of 1916. On the 28th of July of that year he wrote a letter to the Illinois Manufacturers' Association, of Chicago, outlining his then position about the tariff, a sentence from which, a few days afterwards, I quoted in the House. Referring to the work expected to be done by the Tariff Commission, he said:

It ought to be possible by such means to make the question of duties merely a question of progress and development, a question of adopting means to ends, of facilitating and helping business, and employing to the utmost the resources of the country in a vast development of our business and enterprise.

I will concede that that sentence may be susceptible of different constructions, as sentences used by the President sometimes

are, but there is no question as to how it struck the country or this House at that time. Before I had announced its authorship, Mr. Sloan, a then distinguished Representative from Nebraska, undertook to guess that its authorship lay either with Mr. FORDNEY, of Michigan, or Mr. MOORE of Pennsylvania. When later I stated that it came from no less a person than the President of the United States my friend from North Carolina [Mr. KITCHIN] became very indignant. After questioning my authority, which I stated to be the Washington Post, from which I read the extract—and, by the way, I confirmed its authenticity through a telegram from the president of the Illinois Manufacturers' Association a few days later—Mr. KITCHIN said:

Mr. Speaker, I want to deny in the name of the President and the name of Democrats of this House and of former Congresses and in the name of Democrats throughout the country that the President ever uttered such language, because, in my judgment, it is impossible for any man who voted for the Underwood Act or endorsed the Underwood Act, much less one who signed it, to have conceived and expressed publicly such high protective tariff sentiments. I have never known even as high a protectionist as Mr. FORDNEY or Mr. MOORE, to whom the gentleman from Nebraska referred, to utter such a sentiment with regard to the tariff. The man who believes that import duties should be merely a question of progress and development of business is bound to favor the repeal of the Underwood Act, for not a section or paragraph or line in that act was conceived or written upon any such theory. Of course he never made such a statement as the gentleman from Ohio or the Washington Post attributes to him. I repeat my denial in the name of the President and the Democratic Party.

Little more than three years later, in the message delivered on the 2d day of this month to the Congress, the President takes precisely opposite ground. He opposes any use whatever of the tariff to build up the business of the country by hampering in any way shipments of goods here by foreign nations.

Mr. Chairman, at this point I ask unanimous consent to print in my remarks all that part of the President's message which deals with the tariff question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. BLANTON. Mr. Chairman, reserving the right to object for the purpose of asking a question of the gentleman, does the gentleman from Ohio contend that the intervening world-wide war in which this country took part might not have changed conditions?

Mr. LONGWORTH. Not at all.

Mr. BLANTON. So as to have warranted a change in the position even on the part of the President of the United States?

Mr. LONGWORTH. The object of my remarks to-day is to show that no such conditions have arisen, even as a result of the war, as to warrant such a remarkable change of policy.

Mr. BLANTON. Much has transpired during the past few years.

Mr. LONGWORTH. I concede that and I shall elaborate upon it.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

Mr. LONGWORTH. At the outset of his discussion of the tariff question he says in his message:

The prejudice and passions engendered by decades of controversy between two schools of political and economic thought, the one believers in protection of American industries, the other believers in tariff for revenue only, must be subordinated to the single consideration of the public interest in the light of utterly changed conditions.

In other words, there is to be no longer any issue between the two parties upon the tariff. Our century-old policies are to be merged into the one vague policy of "the single consideration of the public interest," whatever that may mean. For myself I am prepared to concede that from the point of view of revenue the tariff question is not of the prime importance that it was before the war. The additional amount that could be raised from a tariff, if we Republicans could write it, as compared with the vast amount of revenue that must be raised for many years to come to pay for the expenditures, legitimate and illegitimate, contracted under this administration, would be relatively insignificant. That much I concede, but that there will be any abandonment by the Republican Party of the policy of protection I vigorously deny. [Applause.] You of the Democratic Party may throw your tariff-for-revenue planks into the wastebasket if you please, but I predict without hesitancy that in our next convention we Republicans will have in our platform a strong American protective plank, and upon that platform we shall sweep the country. [Applause on the Republican side.]

The President goes on in his message to elaborate upon the great increase in our balance of trade, due to our enormously increased exports, our loans of nearly \$10,000,000,000 to the Allies, and the fact that we have now built our own ships. These balances, he says, can only be paid for in three ways—by extension of credits, importations of gold, or importations

of goods. With one sweep of his pen he eliminates the first two of these from consideration.

Anything, therefore—

He says—

which would tend to prevent foreign countries from settling for our exports by shipments of goods into this country could only have the effect of preventing them from paying for our exports and therefore of preventing the exports from being made. The productivity of the country, greatly stimulated by the war, must find an outlet by exports to foreign countries, and any measures taken to prevent imports will inevitably curtail exports. \* \* \*

Later on he says:

Whatever, therefore, may have been our views during the period of the growth of American business concerning tariff legislation we must now adjust our own economic life to a changed condition growing out of the fact that American business is full grown and that America is the greatest capitalist in the world.

This means, if I can read the English language, but one thing, and that is that we must for the future abandon any effort through the tariff to conserve in any degree our home market for our own producers and seek only the development and extension of our export trade.

In the very next sentence he goes on and says:

The provincial standards and policies of the past which have held American business as in a strait-jacket must yield and give way to the needs and exigencies of the new day in which we live.

I confess I find it difficult to adjust my mind to the proposition that in the future, as American business is now "full grown" and we have become "the greatest capitalist in the world," that, therefore, we must at once cast off that "strait-jacket" of "provincialism" which has made us what we are. If the maintenance of our policy, established from the time of our beginning as a Nation, of noninterference in disputes between other nations in which we have no interest or concern is "provincialism"; if insistence upon the Monroe doctrine and of our right to determine for ourselves who shall and who shall not be admitted to our country and our citizenship is "provincialism"; if concern for the retention of the American market for the products of American industry and American labor is "provincialism," then I for one am willing to stay provincial for a while longer.

Of course conditions have changed, but that they have changed to the extent that we must abandon all the standards and policies of the past, so that, forgetting our home market, we are to enter into a mad scramble for the world market, I for one refuse to believe. I am willing to go to any reasonable extent to make the path of our allies toward industrial rehabilitation as easy as possible, but I balk at giving them free rein in the American market. I may be provincial, but I have not yet abandoned the belief that the American market is primarily for the American producer. Furthermore, I believe I am gifted with sufficient vision to see that the abandonment of any measures restricting importations into this country nominally in the interest of those of our allies who are our largest debtors would in the end redound not so much to their benefit as to the benefit of other countries who owe us nothing. Does it need argument to show that duties low enough to invite large importations from Great Britain and France would invite even larger importations from Japan? If it be good policy to turn over a portion of the American market to those of the nations who owe us money that they may thus more easily cancel their debt to us why not do it through the medium of reciprocal trade agreements, which the President has the power to negotiate under existing law? Under such a policy, while sacrificing much, we would at least have received something in return. Under the policy announced by the President we sacrifice far more, and not only do we receive nothing in return, but those countries which deserve most at our hands will be the last to benefit.

Mr. HARDY of Texas. Will the gentleman yield right there?

Mr. LONGWORTH. I will.

Mr. HARDY of Texas. Does the gentleman mean by reciprocal relations—perhaps I should not hazard a guess at what the gentleman means by trade relations—

Mr. LONGWORTH. Trade agreements, I said.

Mr. HARDY of Texas. Does the gentleman mean that America should negotiate special trade agreements with certain nations giving them preferences over other nations, thereby abandoning the doctrine of equal treatment of other nations?

Mr. LONGWORTH. Oh, it has been the policy of this country for many years, both under Democratic and Republican administrations, to have reciprocal trade agreements with other nations that put their imports on a different footing from those of other nations.

Mr. HARDY of Texas. The point I wanted to get at was whether the gentleman was advocating the idea of negotiating



a great number of special trade agreements with the nations that owe us money so as to accept their imports while excluding those of countries such as Japan?

Mr. LONGWORTH. The President bases his main contention against the establishment of any protective tariff on the proposition that some of our allies owe us large sums of money, and the only way they can pay it is by the shipment of goods into this country. I have no particular plan, and I am not in a position to give advice to this administration. I merely say that under the Underwood law the President has the power to negotiate trade agreements with such nations as he pleases, and if the prime object now is to afford nations which owe us money the means to pay that money, why not make separate arrangements with those nations and not throw the entire American market open to the products of the world.

Mr. HARDY of Texas. I really wanted to get the gentleman's view, which is, as I understand him, that we should negotiate separate treaty and trade agreements with England, France, Italy, and other countries—

Mr. LONGWORTH. I do not say we should; I simply say that the President has the power—

Mr. HARDY of Texas. I thought the gentleman suggested that as an alternative. The gentleman remembers the great fight on the Canadian treaty.

Mr. LONGWORTH. I remember its final fate rested with Canada and not with this country.

Mr. HARDY of Texas. The gentleman also remembers the campaign afterwards, in which it was a very great issue?

Mr. LONGWORTH. I recall the fact that so far as the House and Senate was concerned, it passed in this country. It was beaten in Canada. I do not know what the result any treaty the President might negotiate with France would be in France.

Mr. HARDY of Texas. The gentleman knows that in the succeeding campaign, after Congress approved the Canadian treaty, that became a great issue, in which the portion of the Republican Party led by Mr. Taft was attacked by that portion of it which was led by Mr. Roosevelt.

Mr. LONGWORTH. I would not want to suggest anything that would bring the Democratic Party into any greater disrepute than it is in now.

Mr. HARDY of Texas. I think I realize the gentleman's solicitude, and this bill may aid the Democratic Party.

Mr. WINGO. Will the gentleman yield there?

Mr. LONGWORTH. I yield, although my time is almost up.

Mr. WINGO. I am not a free-trader myself—

Mr. LONGWORTH. I know the gentleman is not.

Mr. WINGO. Just following the gentleman's idea of the goods we could take from France, France has not the gold to meet the balance of trade against her, and has not had for some time. What goods can we take from France?

Mr. LONGWORTH. I do know that the President says that we must not use the tariff in any way to hinder importations from France, because that is the only way that France can pay her debts to us. I do not know what those goods may be. They may be textiles; they may be silks; they may be laces. They will not be wines. [Laughter.]

Mr. WINGO. There is no doubt about that. Here is the point I wanted to get at. The gentleman, of course, recognizes that there is a happy mean between two extremes. There is a practical middle ground between the absolute free-trader and the man who wants a prohibitive tariff, that will shut out everything. Now, can the gentleman suggest as a practical proposition—and I have an idea that is what the President had in mind—that our tariff laws should not be used as an absolute power to prohibit these nations from sending us the only thing they can pay us in; that is, commodities? Can the gentleman offer any plan that would meet that situation?

Mr. LONGWORTH. I refer particularly to what the President says, without qualification, which is this:

Anything, therefore, which would tend to prevent foreign countries from settling for our exports by shipments of goods into this country could only have the effect of preventing them from paying for our exports and therefore prevent the exports from being made.

Now, this is what I am particularly calling to the attention of Members of Congress: Assuming it to be wise to deal ultra-fairly, so far as tariff duties are concerned, with those nations which owe us money, offering them thereby the means for settling their debts, if we establish such duties as will encourage high-cost countries like Great Britain and France to send their goods in here, how much more will it encourage Japan and the cheap-cost countries to flood our market? And will not those nations—Japan and the other cheap-cost nations—benefit very much more than would Great Britain or France or any of our other allies to whom we have loaned money? How can there be any question of that? I merely suggest this as to

the question of reciprocal trade agreements, that whether or not it be a wise policy, at least it would be a better policy than that of throwing our market open to the world.

Mr. WINGO. Allow me to see if I catch what the gentleman means. Of course, we recognize that there is a lower cost, say, in Japan than in England or France.

Mr. LONGWORTH. Yes.

Mr. WINGO. The gentleman suggests that a better way, instead of having a tariff that would be low enough to permit England and France to meet the balances on commodities, which would at the same time permit Japan to flood us, we better have a separate reciprocal agreement with those countries that we want to sell to?

Mr. LONGWORTH. I think that would be better.

Mr. WINGO. Has this occurred to the gentleman? It seems to be pretty well understood by those who have studied the economic conditions of America, as well as of England, France, and Belgium, that the war added greatly to the productive capacity of American manufacture. Machinery and plants were put in operation primarily during the war for war purposes, yet were so constructed that with little changes they can be turned into industrial activities after the war. If that be true, it seems to be agreed by most of the authorities I have consulted that we will produce in eight months' time as much as the American market can consume, and must have some other market for the four months of products. The other nations being upon a paper basis, how are they going to settle their balance in return for this four months' surplus that we must find a market for in order to maintain the prosperity of the American manufacturer?

Mr. LONGWORTH. Well, the gentleman is assuming several things that I do not think ought to be assumed. He is assuming, in the first place, that all the equipment installed for the production of purely war material will be equally useful in producing peace material.

Mr. WINGO. Oh, I did not say "all." I say "some."

Mr. LONGWORTH. The gentleman is also assuming that conditions as to wages and the conditions of production are as favorable as they were before the war. I do not think that either of those assumptions can safely be made. I do not believe that the store of goods in this country under conditions as they exist to-day will be so much greater than the American demand that we will have to ship them abroad.

But that is not the point that I am endeavoring to bring out. I am going to repeat again: The President says that we must now seek export trade, because we can not afford to prevent the nations who owe us money from having a free rein in the American market. He says that there are only three ways to pay the debt that is owing to us: First, with gold; second, with extension of credit; and, third, with importation of goods. He says it is indefensible to further extend credit, that we would view with alarm the sending in by other nations of gold, and it is upon that theory perhaps that the Treasury Department is not receiving now, under this administration, any of the interest on our foreign obligations. They do not want it apparently. It is their policy not to accept shipments of gold from Europe. That leaves one alternative, that Europe must pay the amount owed to us by importing their goods into this country and thereby displacing to that extent goods manufactured in this country. My proposition is that even if that were good policy it would redound far more to the benefit of nations like Japan, who owe us nothing, than it would to Great Britain and France, who owe us largely.

Mr. WINGO. It is not the policy of the present administration not to take all the gold it can get from Europe, and as a matter of fact recently we have insisted upon arrangements which would give us the right to ship to this country, upon demand, certain sums of gold that we are having placed where we can control it.

Mr. LONGWORTH. That may be the gentleman's view, but it is not the President's.

Mr. WINGO. I beg the gentleman's pardon. It is the view of the Treasury, and the President is in harmony with that view, too.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GREEN of Iowa. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes more.

Mr. LONGWORTH. Whatever may be the view of the gentleman from Arkansas and the view of the Secretary of the Treasury, that is not the President's view as announced the other day to this Congress. He said specifically "Europe is in no position at the present time to ship gold to us, nor could we

contemplate further imports of gold into this country without concern."

Mr. WINGO. That does not seem to say that the President does not want it. He is recognizing the fact—and it is a fact, as the gentleman will find if he will investigate—that they have not the gold and can not procure it. On the contrary, we are getting all the gold from there that we can lay hands on.

Mr. LONGWORTH. I assume that it is proper to be indulgent to the Allies in view of their industrial conditions, but I am not willing to sacrifice the American market to accomplish that result. [Applause.]

I confess that I listened to the reading of this portion of the President's message with feelings of the keenest disappointment. I had sincerely hoped that there might have been cooperation between Congress and the Executive in the passage of some tariff measures designed to save at least those industries which are of peculiarly war origin, and whose destruction upon resumption of international competition without legislative assistance I fear is inevitable. The only exception the President makes is in the case of dyestuffs, and for that I am deeply grateful, for it insures the final enactment of some such measure as we passed here in the House not long ago; but so far as any other tariff measures are concerned we might as well face the inevitable. They are as dead as door nails.

Under these circumstances the passage of this bill becomes peculiarly imperative. It will not prevent the invasion of the American market by goods which can be made abroad cheaper than we can make them, but at least it will keep out goods to be sold here cheaper than our competitors can make them.

For these reasons, gentlemen, I earnestly advocate the passage of this bill. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield for just one question?

Mr. LONGWORTH. Yes.

Mr. GREEN of Iowa. The gentleman said the bills to which he referred were "dead." I understand he means because we can not ever expect to receive the approval of the President?

Mr. LONGWORTH. Yes; because the President in effect announces in his message that he will veto every one of them.

Mr. GREEN of Iowa. Mr. Chairman, I now yield 15 minutes to my colleague [Mr. GOOD].

The CHAIRMAN. The gentleman from Iowa is recognized for 15 minutes.

Mr. GOOD. Mr. Chairman, what I shall say while dealing with revenue and expenditures only in a remote degree, if at all, bears on this bill.

At the end of each session of Congress it has been customary to review the work of that Congress so far as appropriations are concerned. The burden of debt left by the war and the demand for increased appropriations occasioned thereby make it necessary that we fully understand at the beginning of this session of Congress what the estimated financial requirements of the Government are.

The Book of Estimates submitted by the Secretary of the Treasury a few days ago carries a total estimate for the regular annual appropriation bills and the permanent and indefinite appropriations for the fiscal year ending June 30, 1921, of \$4,865,410,031.62. This sum does not include certain charges for the next fiscal year for which appropriations have been made and which have not been taken into account in arriving at this total.

The Post Office appropriation act approved February 28, 1919, carried an appropriation of \$78,000,000 to be expended during the fiscal year ending June 30, 1921, and which is in addition to the \$26,000,000 included in the total of permanent appropriations for road construction for the next fiscal year. This item is not included in the estimate referred to.

Under the law the Secretary of the Treasury is authorized to redeem war-savings certificates, and by his annual report, just submitted, he proposes to pay out during the next fiscal year \$125,000,000 for such purposes. This amount is not included in the Book of Estimates.

So, too, under the law the Secretary of the Treasury has authority to retire Federal reserve bank notes and the notes of national banks, and by his annual report he expects to retire notes of this character during the next fiscal year aggregating \$25,000,000, but no estimate is made for the money necessary to redeem such notes.

In addition, he proposes, as shown by his annual report, to expend \$300,000 during the next fiscal year in the miscellaneous redemption of the public debt.

The Secretary of the Treasury estimates that \$740,000,000 will be used for the present fiscal year in the exercise of the authority granted him by the act of April 4, 1918, for the period of the war and for one year thereafter to set aside a fund not to exceed 5 per cent of the amount of the bonds outstanding, to be used for retirement of such bonds. No estimate is made

for such purpose for the next fiscal year because of the sinking-fund provision provided for in the act of March 3, 1919. The Secretary of the Treasury estimates that the sinking fund provided for in said act will require an expenditure of \$287,500,000, and said sum is carried in the Book of Estimates. The necessity for the payment of the \$300,000 above referred to is in the report of the Secretary of the Treasury but is not carried in the Book of Estimates.

These items that are not included in the Book of Estimates, aggregating \$228,300,000, may be expended by the Secretary of the Treasury irrespective of any action by Congress.

Naturally, no estimate is to be found in the Book of Estimates for increased compensation to Government employees. The amount estimated to be expended during the current fiscal year because of the \$240 bonus provision contained in the legislative, executive, and judicial act is \$30,760,000. The Postmaster General states that if the increase to postal employees granted for the present fiscal year be reenacted for the next fiscal year it will require an appropriation of \$40,000,000 in excess of the estimated expenditures of that department. Formerly the departments estimated for increases in compensation for certain Government employees in the District of Columbia. Because of the provision in the legislative, executive, and judicial act of March 1, 1919, providing for a Joint Commission on Reclassification of Salaries the executive departments have decided that no increases in compensation of Federal employees should be estimated for, leaving the entire matter open for the action of Congress. Conditions regarding the cost of living have not changed to any appreciable degree during the past year, and in all likelihood Congress will be compelled to grant increases in compensation to the Federal employees equal to the increases granted for the present fiscal year, which will mean an increase in the estimates of \$40,000,000 for postal employees and \$30,760,000 for employees in the other branches of the Government service.

As to expenditures for the United States Railroad Administration, in his annual report the Secretary of the Treasury says:

No estimate of expenditures by the United States Railroad Administration for the fiscal year 1921 is included, because on the date of this report the Railroad Administration was unable to make an estimate for that fiscal year, inasmuch as the sums that will be required are almost entirely dependent upon congressional action in connection with the return of the railroads to private control.

In the absence of congressional action guaranteeing a return to the railroads after they have been restored to their owners there still remains enormous obligations of the Government to pay the deficit brought about by the operation of the railroads by the United States Railroad Administration. The amount required depends also on the settlements which the Railroad Administration may be able to make in the disposition of railroad equipment purchased by the Government during the war and in the collection of advances already made to railroad companies. The deficit in Government operation of the railroads, which is large, must be paid out of the Treasury. Unquestionably the expenditure during the next fiscal year for this purpose will be very large, but the sum that will be required for this purpose for the next fiscal year is so problematical and depends upon so many contingencies that it is not safe at this time to venture a conservative estimate.

Very naturally, too, the amount of supplemental and deficiency estimates are altogether problematical, and depend upon a great many contingencies. There is no accurate way of arriving at an estimate of the amount which may be requested for the next fiscal year. The highest amount in the aggregate requested in supplemental estimates in any year immediately prior to 1916 was \$31,500,000, while the average per year for a period of 10 years prior to the war was \$17,867,500. The largest amount of deficiency estimates sent to Congress for any one year immediately prior to the war was \$57,000,000, while the average per year for a 10-year prewar period was \$24,270,000. Is it not fair to assume that the supplemental and deficiency estimates for the next fiscal year as compared with the prewar estimates for like purposes will be twice as large as they were for the 10-year prewar average? Using this as a basis, I believe we may assume that for the next fiscal year the supplemental estimates will exceed \$35,000,000 and the deficiency estimates will not be less than \$50,000,000. To show that this estimate is conservative it is only necessary to remind the House that in the first week of this session of Congress one supplemental estimate was received for \$10,000,000.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GOOD. I yield to the gentleman.

Mr. GREEN of Iowa. I do not know that I fully understand the gentleman. The matters that the gentleman has men-



tioned have included proposals that amount to \$50,000,000, and the amount that possibly would be allowed on those omitted items, such as increased pay for the Army and Navy and the Shipping Board items, and so on, will aggregate, as they will be submitted finally to the country, somewhere to nearly half a billion dollars.

Mr. GOOD. I am not taking into consideration any of those things. I am only taking into consideration the payment of those things that are provided for by law, where appropriations have been made or where authority has been given to pay out the money. Before the House Committee on Interstate and Foreign Commerce Mr. Sherley estimated that there would be required to be paid by the Government not less than \$371,000,000 and possibly \$471,000,000 in order to have the Government settle accounts with the railroad companies; but how much of that will be required to be paid during this fiscal year and how much will hang over into the next fiscal year no one can tell. It is so problematical that I have not attempted to deal with it, because I am only dealing with the estimates for the fiscal year ending June 30, 1921, which will have to be dealt with, and in that regard I have limited my consideration to those items where we can, with some degree of accuracy, make an estimate.

Mr. FESS. Will the gentleman yield?

Mr. GOOD. I yield to the gentleman from Ohio.

Mr. FESS. Does the gentleman express a fear that the deficit will go beyond what the Secretary of the Treasury stated?

Mr. GOOD. I have no doubt that it will go beyond that unless the revenue receipts exceed the estimates.

Mr. FESS. Then does the gentleman know how we can act favorably upon the recommendation of the President that we reduce the income tax and the war excess-profits tax?

Mr. GOOD. I do not believe it will be safe to reduce any taxes at the present time unless some provision is made to supply the money from some other source that that reduction would take out of the Treasury of the United States.

I realize that some of these estimated requirements are only estimates, but if any error has been made in making them, it will be found, I am sure, on the part of conservatism.

Let us recapitulate them in order to see what our estimated requirements really are for the next fiscal year:

#### Recapitulation for 1921.

Total of estimates submitted in the Book of Estimates for 1921	\$4,865,410,031.62
Construction of roads (carried in post-office act of February, 1919)	78,000,000.00
Redemption of war-savings certificates	125,000,000.00
Refinement of Federal reserve and national bank notes	25,000,000.00
Miscellaneous debt redemptions	300,000.00
\$240 bonus, if reported for 1921	30,760,000.00
Postal increase, if repeated for 1921	40,000,000.00
Supplemental estimates which may be transmitted during the session on account of 1921	35,000,000.00
Deficiency estimates which may be submitted against the revenues of 1921	50,000,000.00
Grand total	5,249,470,031.62

In order that we may see the entire picture as to our financial transactions it is interesting to know the sources from which the revenue must come with which to pay these extraordinary

expenses. These estimated revenues are fully set forth in the annual report of the Secretary of the Treasury, and are as follows:

Customs	\$325,000,000
Internal revenue:	
Income and excess profits	3,000,000,000
Miscellaneous internal revenue	1,190,000,000
Public-land sales	1,000,000
Miscellaneous sources (including estimated return of \$500,000,000 of capital stock of Grain Corporation)	\$96,000,000
Panama Canal, tolls, etc.	8,000,000
War-savings certificates	175,000,000
Deposits to retire Federal reserve and national bank notes	25,000,000
Postal savings bonds	350,000
Postal revenues	415,500,000
Total estimated receipts	6,035,850,000

It will be observed that there is an excess of estimated revenue over estimated expenditures. But this surplus immediately disappears when considered in connection with the estimated deficit in the general fund of the Treasury on June 30, 1920. The Secretary of the Treasury estimates that on the 30th of June, 1920, there will be a deficit in the general fund of the Treasury of \$3,155,888,543. If we deduct this surplus from the estimated deficit we have a total estimated deficit of \$2,869,508,574.62. If to this amount we add the item for a working balance, which it has been found necessary to keep in the Treasury, of \$500,000,000, we have a total estimated deficit on June 30, 1921, of \$2,869,508,574.62.

I shall append to my remarks a detailed comparative statement with regard to the estimates for appropriations, and a comparative statement showing the estimated revenue and the sources from which it is derived, for the fiscal years 1920 and 1921.

It is not my purpose to comment upon these estimates. I present them for the study and consideration of the House. They should be studied and considered along with our consideration of such measures as the Fuller pension bill, the civil-service retirement bill, the bills providing for increases in pay to officers and men in the Army and Navy, the Mondell land bill, the Morgan housing bill, and numerous bills for the payment of bonuses to our discharged soldiers. Meritorious as some of these measures may be, every one of them should be considered only with respect to the condition of the Treasury of the United States and the demands that will be made upon it in the discharge of obligations already created by law. Whatever its legislative duties, no greater problem confronts this Congress than that of applying the pruning knife to the estimates of expenditures. It must be applied with intelligence, but with vigor and determination, for if this Congress shall appropriate more than \$4,000,000,000 for the expenses of the Government for the next fiscal year over and above the necessary appropriations for the United States Railroad Administration it will fall short of its obligations to the taxpayers of the United States. After all, it is idle to reduce estimates if such reduction shall only result in the enactment of legislation whereby the Government is required to assume new duties that are no more meritorious than those curtailed or eliminated, and which may require even larger appropriations.

Table comparing by bills estimates of regular annual appropriations for the fiscal year 1921 with the appropriations made for the fiscal year 1920, during the third session of the Sixty-fifth Congress and the first session of the Sixty-sixth Congress.

The column of 1920 appropriations does not include the sums carried for that fiscal year in deficiency and miscellaneous appropriation acts for similar purposes. The estimated appropriations for 1921 will be found in detail in the annual Book of Estimates, House Document No. 411, transmitted to Congress on December 1, 1919.

	Estimates, 1921.	Appropriations, 1920.	Increase, estimates 1921 over appropriations for 1920.	Decrease, estimates 1921 under appropriations 1920.
Agriculture	\$37,523,102.00	\$33,890,761.00	\$3,632,341.00	
Army	982,803,023.00	772,324,877.50	210,478,145.50	
Diplomatic and Consular	11,243,250.91	9,848,681.67	1,394,569.24	
District of Columbia	19,179,718.03	15,364,421.00	3,815,297.03	
Fortification	117,793,330.00	11,214,291.00	106,579,039.00	
Indian	12,994,494.27	11,131,397.03	1,863,097.24	
Legislative, etc.	122,212,849.02	97,993,831.77	24,219,017.25	
Military Academy	6,778,637.23	2,277,932.20	4,500,705.00	
Navy	573,131,254.80	616,093,838.88		\$42,962,584.08
Pensions	215,030,000.00	215,030,000.00		
Post Office	391,712,673.00	609,463,149.00		217,750,476.00
River and harbor	42,841,565.00	33,378,361.00	9,463,204.00	
Sundry civil	905,725,387.10	607,160,207.95	298,565,179.15	
Total, regular appropriations	3,440,032,279.33	3,035,151,733.00	404,880,546.33	
Permanent annual appropriations	1,425,407,752.29	1,935,907,780.00		510,495,027.71
Total, regular and permanent annual appropriations	4,865,410,031.62	5,001,149,513.00		135,739,481.38
Deficiencies		1,141,931,239.95		
Miscellaneous		1,123,478,632.41		
Amounts not included in Book of Estimates as enumerated	384,063,000.00			
Grand total	5,249,470,031.62	7,272,559,415.37		

<sup>1</sup> This sum includes \$200,000,000 to be paid out of the Treasury for road construction for fiscal years and amounts as follows: 1919, \$53,000,000; 1920, \$78,000,000; 1921, \$78,000,000.

Comparison of estimated revenues, fiscal years 1920 and 1921.

	1921	1920
Customs.....	\$325,000,000	\$275,000,000
Internal revenue:		
Income and profits taxes.....	3,000,000,000	3,750,000,000
Miscellaneous.....	1,190,000,000	1,240,000,000
Public land sales.....	1,000,000	1,250,000
Miscellaneous sources.....	896,000,000	834,000,000
Panama Canal, tolls, etc.....	8,000,000	7,200,000
Total.....	5,420,000,000	6,107,450,000
Public debt receipts:		
Third Liberty loan.....		1,365,293
Fourth Liberty loan.....		33,568,663
Victory loan.....		1,030,372,678
War savings certificates.....	175,000,000	125,000,000
Deposits to retire bank notes of Federal reserve and national banks.....	25,000,000	20,000,000
Postal savings bonds.....	350,000	250,000
Total, public debt.....	200,350,000	1,210,558,634
Postal revenues.....	415,500,000	386,600,000
Grand total revenues.....	6,035,850,000	7,704,606,634

Mr. GREEN of Iowa. May I ask how the time stands on the respective sides?

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] has eight minutes remaining, and the gentleman from North Carolina [Mr. KITCHIN] has used no time.

Mr. FORDNEY. I yield to the gentleman from Idaho [Mr. FRENCH] seven minutes.

Mr. KITCHIN. I yield to the gentleman from Idaho 20 minutes.

The CHAIRMAN. The gentleman from Idaho is recognized for 27 minutes.

## MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. SMITH of Michigan having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2377. An act to amend section 1 of the act approved July 17, 1916, known as the Federal farm-loan act, so as to provide for the payment of the expenses of the Federal Farm Loan Board and employees by the Federal land banks and joint-stock land banks; and

S. 806. An act conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in claims of the Iowa Tribe of Indians against the United States.

The message also announced that the Senate had passed with amendment the bill (H. R. 1199) to prohibit the purchase, sale, or possession for the purpose of sale, of certain wild birds in the District of Columbia, in which the concurrence of the House of Representatives was requested.

## ANTIDUMPING LEGISLATION.

The committee resumed its session.

Mr. FRENCH. Mr. Chairman—

Mr. BLANTON. Mr. Chairman, a point of order. I think it is a reflection, and that it shows a want of respect for the great Ways and Means Committee to discuss this important tariff measure with only 31 Members on the floor, and I make the point of order that there is no quorum present.

Mr. GREEN of Iowa. The gentleman from Idaho is not going to discuss the tariff bill.

Mr. BLANTON. He is going to discuss the question of the Russian soviet, and he ought to have an audience to hear him on that momentous question.

Mr. FRENCH. I request the gentleman not to make the point of order.

Mr. BLANTON. As the Republican whip is getting them in out of the cloakroom, I withdraw the point of order.

Mr. FRENCH. Mr. Chairman, some little time ago, purely as a matter for my own information, I made something of an analysis of the Russian soviet constitution. In talking the question over with various Members of the House, several of them were good enough to express the wish that at some time I would address the House on the subject, and it is with this in view that I have asked for a little time to-day.

It has been nearly three years since March 12, 1917, when the unrest in Russia culminated in the overthrow of the dynasty of the Romanoffs, and then with kaleidoscopic rapidity the Government was transferred from Czar Nicholas to Prince George Lvoff, from Lvoff to Kerensky, and from Kerensky to Lenin and Trotsky, the leaders of the soviet form of government.

We are not surprised when extreme and radical groups of people applaud an extreme and radical type of government. We are not surprised that anarchists everywhere, that I. W. W.s everywhere, that the left wing of the Socialist Party of the United States, that the Social Democratic Party in the United States, and similar organizations in other countries heralded with delight the soviet government in Russia; but we are surprised when people who, we assume, have accurate habits of thought express their opinion as favorable to the soviet system.

Not very long ago a professor in one of the leading universities of our country spoke his mind in favor of soviet government. As soon as he understood a little more of what it meant he was just as ready to withdraw his approval.

Not many weeks ago the Postal Employees' Union of the city of Minneapolis, Minn., adopted a resolution pertaining to Russia that included the following:

And whereas fully 95 per cent of the population of Russia fully supports the soviet government of Russia, be it resolved that the Minnesota Federation of Labor express its sympathy with the soviet Russia.

I understand that this resolution was strenuously advocated by four members of the Postal Employees' Union; that these four members, who were delegates from the union to the State convention of the American Federation of Labor of Minnesota that convened on July 22-23, 1919, presented the resolution to that organization and secured its adoption.

Now, I can not for one minute fail to think that the members of the State Federation of Labor of Minnesota were imposed upon and misled. It may be, too, that they did not intend to endorse the idea. In my judgment, one or two features of the soviet system may have been presented to the convention and a strong plea was then made in which the sorrows and horrors through which Russia has gone during recent years—yes, indeed, during centuries—were presented to the convention and with the idea that the convention was approving some action that the Russian people have taken looking to democracy, a favorable vote was had upon the resolution.

## SOVIET OPPOSED BY AMERICAN FEDERATION OF LABOR.

But the attitude of the Minneapolis Postal Employees' Union and the Minnesota State Federation of Labor must not be taken as the attitude of the laboring men of the country or the American Federation of Labor.

The convention of the American Federation of Labor, that was held in Atlantic City in June of this year, very clearly indicated its opposition to Bolshevism and to the soviet government.

Quoting Mr. Walling, in the August number of the American Federationist:

Bolshevism in America was buried on the 17th of June. And Bolshevism in Russia will receive no support from American labor until the soviets have repudiated sovietism and surrendered unconditionally to their deadly enemy, democracy. The convention of the American Federation of Labor, by a crushing majority, definitely refused its endorsement of the soviet government of Russia, "or any other form of government in that country, until the peoples of Russia, through a constituent or other form of national assembly, representing all of the people, through popular elections, shall have established a truly democratic form of government."

What is the soviet system of government, and do we want it?

A government has no right to exist save only as it serves the highest interests of the people who make up the government and who come into contact with it.

Now, if the soviet system is better than ours, by all means let us adopt it; let us lay aside the experiment in government that we have tried for over 100 years and take over the soviet system that promises so much.

It is, then, from the standpoint of a comparison of the essential principles of the soviet system with the essential principles of the representative system such as we know it in America that I want to consider the question.

In January, 1918, the group of Russian people headed by Lenin and Trotsky adopted what might be called a declaration of rights, and on July 10, 1918, the All-Russian Congress of Soviets formally adopted a constitution, and this instrument recites that the bill of rights is part of the organic law. These documents are the basic foundation of the soviet government. The form of government is known as soviet, and the active leaders in its support are Bolsheviks.

Strangely enough, a good many writers seem to assume that the only unique feature of the soviet government is group representation.

For instance, Mr. Oswald G. Villard, in a paper in the official organ of the Academy of Political and Social Science, the *Annals*, for July, 1919, on the "Need of social reorganization in America," said:

There is something attractive in group representation, which is what the soviet is.



Again he says:

Yet the other day one of our own American officials at Paris solemnly assured the newspaper men that if the soviet type of government were made really representative, he saw no reason why it should not be as democratic as any government, if not more so. It was only to the men who were running the present unfair and undemocratic soviet government in Russia that our Government objected, he declared.

I desire to discuss group representation under the soviet government a little later on, and I think before I get through it will be quite clear that group representation is a mere feature of the soviet form of government. It is merely the sugar-coating to the pill.

The American officer referred to by Mr. Villard says if the soviet type of government were made "really representative, it would be as democratic as any government, if not more so." You had as well say that if black were made white it would be white.

The fact of the business is there is absolutely no philosophy by which the soviet form of government can be made representative unless the fundamental principles on which it rests shall be transformed and changed as completely as the changes of elements would be in color to make black white. [Applause.]

Surely the objection that a thoughtful American must have to the soviet form of government for America does not turn on anything other than the structure of the soviet government. For the purposes of my discussion, it is not material whether it is administered by good men or bad, by statesmen or reckless adventurers. What I want to discuss is the structure itself.

#### THE STRUCTURE.

From an examination of the soviet constitution, it appears that the executive authority is combined with the legislative, and there is no mention of a judiciary. Also it will be seen that Russia for its government is divided into units of various sizes, just as is the United States. We have the country as a whole, States, counties, and other local units such as districts, precincts, or parishes, or urban units, such as cities, towns, and villages, depending upon the State. Then we have the different bodies chosen to govern in these units. So in Russia.

Russia, considered as a whole, is divided into regions, provinces, counties, and rural and village units.

Then we have the governing body for each unit. This governing body is known as a soviet.

There is no magic in the word "soviet." It merely means a council. It means a legislative or deliberative body. It had as well be called a council, a congress, or a parliament. In Russia there are several different soviets—the local rural, the rural, the village or urban, the county, the provincial, the regional, and the All-Russian Congress of Soviets. These may correspond to deliberative bodies of our precincts, our counties, our States, and our Nation.

Now, so far there is nothing incongruous. But how are the soviets elected?

#### SOVIETS—HOW ELECTED.

In the first place, instead of the people voting by parties or by groups representing public opinion, they vote at least theoretically by trades or crafts. This point I want to discuss later. But for whom do they vote? For members of the All-Russian Congress of Soviets? No. For members of the regional or provincial soviet? No. For members of the county soviet? No. For members of the local soviet? Yes. That is, the people voting by trades elect members of the particular craft to which they belong to the local soviet. Now, this is all the part the people themselves have in this much heralded government.

The people, then, or, I shall say, those of the people who have the franchise, in theory have the right to vote for the members of the local soviet. The local soviet in the cities is called the urban soviet; in the country it is called the rural local soviet.

Now, this represents the final responsibility that is placed upon the people. There probably never was devised a clearer way to show the contrast between two objects being compared than to do as Hamlet did when he said, "Look here, upon this picture and on this." Having that in mind I am going to try to examine the Russian Government by placing it alongside the Government of your own country. Let me then direct your attention to the different units of government as they exist in Russia and the corresponding units of government as they exist in the United States.

#### COMPARISON OF LEGISLATIVE BODIES.

I want you to consider first the legislative bodies that exist in Russia and the subdivisions of government under Russia and the legislative bodies that exist in the United States from our Federal Government through the States on down to the officers elected in our precincts, villages, and towns.

#### LEGISLATIVE BODIES OF RUSSIA (UNDER SOVIET SYSTEM) AND THE UNITED STATES—HOW CHOSEN.

##### The deadly parallel.

RUSSIA.	UNITED STATES.
1. All-Russian Congress of Soviets. Members are chosen by members of—	Senate and House of Representatives. Elected by direct vote of people.
1. Urban soviets.	
2. Provincial soviets (but provincial soviet is not elected by the people).	No governmental subdivision to correspond (would be like a group of States, as New England States).
2. Regional soviet. Members are chosen by—	State legislatures. Elected by the direct vote of the people.
1. Urban soviets.	
2. County soviets (but the county soviet is not elected by the people).	County commissioners or similar officers. Elected by the direct vote of the people.
3. Provincial soviet. Members are chosen by members of—	
1. Urban soviets.	
2. Rural soviets (but the rural soviet is not elected by the people).	No corresponding governmental subdivision. (It is less than a county and more than a township.)
4. County soviet. Members are chosen by members of—	
1. Urban soviets (in cities of not more than 10,000).	
2. Rural soviets (but the rural soviets are not elected by the people).	
5. Rural soviet. Members are chosen by members of—	
1. Village soviets (of less than 1,000 people).	
2. Rural local soviets (the people allowed to vote for village and local soviet members).	
6. Local soviet.	Precinct, township, or other local organization. Officers elected by the people. City, town, and village offices. Elected by the people.
1. Rural local soviet. Elected by part of the people.	
2. Urban soviet. Deputies elected by part of the people.	

The deadly parallel to which I have called your attention is most striking. Take first the highest legislative body in the United States—the Congress. It is made up of Senators and Representatives elected by the direct vote of the people. For over a hundred years we chose our Senators in indirect manner; that is, the Senators were elected by members of the legislature who themselves were elected by the people.

In Russia the highest legislative body is known as the All-Russian Congress of Soviets. Do the people vote for the members of that body? Not at all.

The farmer in Russia votes for his rural local soviet member, and when he casts that ballot his power as a voter has come to an end. The members of that local soviet vote to elect members to the rural soviet; the members of the rural soviet then vote to elect members to the provincial soviet; and the members of the provincial soviet vote to elect members to the All-Russian Congress of Soviets.

In other words, as the Senators of the United States in the olden times were once removed from the American voter, the members of the All-Russian Congress of Soviets are three times removed from the Russian farmer. The city voter is trusted more than the farmer, for he votes direct for his urban representative, who in turn votes for the member of the All-Russian Congress of Soviets.

Is it possible that this learned professor to whom I referred had this in mind when he expressed his approval of the soviet system? Is it possible that members of such organizations as those to which I have referred had this in mind when they commended the soviet system?

In Russia the political organization that is less than the entire nation is what is known as a region. It would correspond in the United States to a group of States such as the New England States or the Pacific Coast States. In the United States we have no political organization that presides over or is responsible to a group of our States. The State itself is the only unit above the county between the county and the Federal Government. However, under the Russian soviet system the members of the legislative body known as the regional soviet are chosen not by the people but by the urban and county soviets, the urban soviet members being elected in the cities by the direct vote of those of the Russian people who are permitted the ballot, while the county soviets are twice removed from the farmer, who again can not be trusted with the responsibility of voting for so much as a county officer in Russia.

Mr. QUIN. Will the gentleman yield?

Mr. FRENCH. Yes.

Mr. QUIN. How do they elect the speaker or chairmen?

Mr. FRENCH. Each body has charge of and elects its own officers.

Mr. QUIN. How do they elect the president?

Mr. FRENCH. I will come to that a little later, if the gentleman will bear with me.

The next political unit in Russia is the Province. This unit corresponds with the State under our own system. In Russia the provincial soviet, a legislative body, is made up of members elected by whom? The people? Not at all. It is made up of members elected, first, by the urban soviets, who are elected by the people, and by the rural soviets, who are once removed from the people. In the United States our State legislatures are elected by whom? By the people.

In the translation of the constitution of Russia that I have, the word "county" is used as the English equivalent of the Russian word, and it corresponds with a small section of country similar to the county in our own Government. In the United States the persons who are intrusted with the supervision of county affairs are the county commissioners. These officers are elected by the people just as are our Senators and Members of the House and just as are members of the legislatures. In Russia we find that the members of the county soviet are not chosen by the people; they are chosen by the urban soviets and by the rural soviets.

We pass to the organizations that are less than the county soviet, and we find rural soviets made up of members who are elected not by the people but by two groups—first, the village voter from villages whose population is less than 1,000 people and by the rural local soviet.

In the cities of more than 10,000 people we find urban soviets. The members of the urban soviets, the members of the village soviets, and the members of the local rural soviets receive their franchise direct from the people. This is Russia. This is the soviet system.

The struggle for liberty, the struggle for the right to participate in government, is one that is close to the life thought of English-speaking people. It is close to the life thought of the American people. As we search the traditions that tell of the struggles for parliamentary government in Great Britain, we go back to the time when Magna Charta was snatched from the hands of King John. We go back to the time when Edward the First, I believe, called together the noblemen of Great Britain in repeated conclaves that could be considered a forerunner of the legislative bodies of to-day in Great Britain. And then we drafted our own Constitution, written by the lifeblood of the bravest of our land and amidst the suffering of all of our people. We drafted such a Constitution as would reserve to the people themselves the right to cast their votes for the Members of the most numerous branch of their national representative body and made only once removed from the people the Senate, and within the last six years that one barrier that has stood between the people and the Senate of the United States has been broken down, and to-day the American people vote not only for their precinct and village and city officers as do the Russian people, whose power is exhausted with such vote, but our people vote as well for their county officers, they vote for their State officers, and for the officers that represent them in the great legislative bodies of all the States and of the United States.

Gentlemen, there never was a system applied to any large country that was more free, more democratic than is the system applied in the United States, and there never was a system under which the people could hold their representatives to greater responsibility than in the United States. On the other hand, there never was a representative system in any government that is worthy of the name so tyrannical and so calculated to separate the people from their right to participate in government as the system that has been devised by the soviet rulers of Russia.

Gentlemen, there never was a corporation, trust, or monopoly so organized as to take from the stockholders of that organization the responsibility of sharing and having a part in the administration of affairs of the business as has been done in the constitution of the soviet government of Russia in taking away from the people of that great land the right to participate in the affairs of government, in the governing of all Russia, in the region, in the province, or in the county.

#### EXECUTIVE OFFICERS.

Now let us pass on to the executive officers in Russia and the executive officers in the United States.

For your comparison I have again presented what I have called the deadly parallel.

The executive officers of all Russia are what are termed in the constitution the commissars.

#### EXECUTIVE OFFICERS.

##### *The deadly parallel.*

#### RUSSIA.

1. The executive officers of all Russia are chosen by the all-Russian executive committee, which is chosen by the All-Russian Congress of Soviets, which is chosen by provincial and urban soviets, etc. (In Russia the chief executive is three times removed from the city voter and five times removed from the rural voter.)  
2. Regional and provincial executive officers are chosen by the respective soviets, which themselves are not chosen by the people.

#### UNITED STATES.

The President is elected by electors chosen by the direct vote of the people to vote for a particular person.

(In the United States the President is once removed from the people.)

Governors are elected by direct vote of the people.

The All-Russian Congress of Soviets is necessarily a very large body and it is an unwieldy body. For the purpose, then, of close executive administration the constitution provides that there shall be an executive committee appointed of 200 members. This executive committee is chosen by the All-Russian Congress of Soviets. As the congress itself is once removed from the city dweller and three times removed from the country dweller the committee chosen by the congress is two times and four times, respectively, removed from these groups of Russian people.

This committee then selects another committee of 17 members, which is called the council of people's commissars, each member of which presides over another committee chosen by the council and which exercises the function of a cabinet department of the government. The chairman of each committee is the chief executive of the particular department to which the business of the committee pertains. The chairman of the foreign affairs committee and the chairman of the committees on the army and the navy become necessarily the most important members of the Russian Government, and the chairmanship of the foreign affairs committee is the office that is now filled by Lenin. The chairmanship of the committee on military affairs is the office filled by Trotsky. It is by virtue of being chairman of this commissariat that Mr. Lenin has become what we popularly call the premier, the head of the Russian Government.

Mr. Lenin, then, is responsible not to the people, not to the country, not to the State or Province. He is responsible to the executive committee of the All-Russian Congress of Soviets, which in turn is responsible to the congress. He is from three to five times removed from the voting power of the people of Russia.

Contrast this, if you please, with the Chief Executive of the United States. The President, it is true, is not elected by a direct vote of the people, but by electors, who are chosen with the specific duty of voting for a particular candidate for President. For more than a hundred years we have followed this system, and no man has ever failed to vote for the candidate for President for whom he was chosen to cast his ballot. It is practically the same as the people themselves voting direct for President. No choice is given to the elector. He becomes a sort of living ballot typifying the vote of the people. He expresses the voice, the wish, of the people. Is it possible that any thoughtful person can contrast this system with the system that obtains in Russia and find that the system in Russia is more democratic?

But how about organizations that are less extensive than all of Russia? As I said, we have no political organization that corresponds to the regional organization that exists in Russia, and I shall say in passing merely that the executive officers of the regional organization in Russia are appointed by the regional soviet in precisely the same way as the officers of all Russia are appointed by the All-Russian Congress of Soviets. But the title "people's commissar" belongs only to an officer of all Russia and may not be used by an officer of a lesser unit.

We then pass to the provincial government, which corresponds to the government of States. In the United States the chief executive of every State is chosen by the direct vote of the people. Not so in Russia. The executives of each Province are chosen by and are responsible to the provincial soviet, which, as I have already indicated, is a body that is not elected by the people.

I shall not pursue the matter further with the lesser organizations in Russia, other than to say that, while the people in the United States vote for their executive officers in precinct, in village, and in county, all the executive officers, from the local soviet through the urban and village soviets up to the county soviets, are chosen not by the people but by the soviets themselves of the region over which they are expected to preside.



## REPRESENTATION.

From what I have said in the matter of the pyramidal system by which the power of the party in control is built up in Russia and from what I shall point out a little later when I shall speak of the franchise and in which it will be shown that craft groups, soldiers, and sailors are favored in unusual degree, we need not be surprised in turning to the basis of representation in the legislative bodies of Russia under the soviet system to find that this basis of representation is such as to place as much of the responsibility as possible in the groups of laborers who are organized by trades and in the hands of soldiers and sailors and as little as possible in the hands of the farmers.

I have prepared again what I have called the deadly parallel, and again I want you to "look on this picture and then on this"—the one being the method of apportioning representation to the legislative bodies in Russia and the other the method of apportioning representation to the legislative bodies in the United States:

## BASIS OF REPRESENTATION IN THE LEGISLATIVE BODIES OF RUSSIA (UNDER SOVIET SYSTEM) AND THE UNITED STATES.

*The deadly parallel.*

RUSSIA.	UNITED STATES.
All Russian Congress of Soviets.	Senate.
Members chosen by—	Two Senators elected from each State.
1. Urban soviets (cities and towns). (One member elected for every 25,000 voters.)	House of Representatives.
2. Provincial soviets (representing urban and country population). (One member elected for every 125,000 inhabitants.)	Representatives chosen from States on basis of population (farmers sharing equally in government with city population).
Regional.	No similar body in United States.
Regional soviet is made up of—	
1. One representative for every 5,000 city voters; and	
2. One representative for every 25,000 inhabitants of the county.	
Provincial.	State.
Provincial soviet is made up of—	State senators apportioned by counties or on basis of population.
1. One representative for every 2,000 voters in the city; and	State representatives apportioned on basis of population.
2. One representative for every 10,000 inhabitants of rural districts.	

In Russia the overwhelming majority of people are farmers, and only 6 of the 50 Provinces have any considerable population engaged in nonrural industries. Lenin and Trotsky when they seized control knew that if they were to retain their control and pass it on to others capable of thinking along similar lines it would be necessary for them to work out a system by which the craftsmen and the men in the army and navy would have an unfair and undue share in the representation in the legislative bodies. Accordingly we find the constitution solemnly declaring that one member to the All-Russian Congress of Soviets, if he shall represent city people, shall be elected for every 25,000 voters, and if he shall represent provincial people—the farmers—one member shall represent 125,000 inhabitants. The constitution uses the word "voter" as applied to the city dweller, but "inhabitant" as applied to the country. The reason is plain. The farmer must be disfranchised. Remember, now, that both men and women over 18 years of age under certain conditions may vote. In the city is where we find the large groups of men and women who are working in factories or in mines or mills and who are unattached. In and near the city is where we find the soldiers. This is where we find the sailors. In the cities of Russia we will find the very people for whose interest the soviet government exists, and it is for that reason that the constitution is so drafted as to give the city dweller of Russia a greater representation in their All-Russian Congress of Soviets than is given to the farmers.

Notice further that the population of the city is figured in with the population of the country for the basis of province representation, thus giving an additional double representation to the city.

Now, when you go to the regional unit in Russia you find the same principle applied. One representative to the city dweller is given to every 5,000 voters, while the county as a whole is given one representative for every 25,000 inhabitants.

Notice again that the city population is included in making up the county population, and thus has an additional double representation.

And when you go to the provincial unit the city dweller is given one representative in the provincial soviet for every 2,000 voters, while the farmers are given one representative for every 10,000 inhabitants.

Examine the constitutions of all countries that pretend to be civilized and you will not find a more flagrant abuse in the

organic act of apportionment of representation among the people than you will find in the constitution of the soviet government of Russia. Do those who urge that system in the United States propose to disfranchise the farmers of the United States? Is that part of their theory? Or shall we assume, as I have assumed, that those who have carelessly spoken words of approval of the soviet system are not aware of the plan that they have so lightly indorsed?

## FURTHER DISCRIMINATIONS.

I have pointed out that the soviet government is organized so as to deliberately eliminate the farmer. And I now come to another instance in point. I have said that the All-Russian Congress of Soviets is chosen by the urban soviets and the provincial soviets. But the urban soviets are elected by city folks alone, while city and country folks unite to elect the provincial soviets. That gives the city people double representation and cuts down correspondingly the representation of the country.

The same principle applies to the regional soviet. The members of the regional are elected by the urban and county soviets. The city voters elect the urban soviets and then through the urban soviets have a part in electing the county soviets. The whole scheme is devised and worked out to take away from the farming communities political power and to vest it in the hands of soldiers and sailors and craft groups.

## CLASS AGAINST CLASS.

One of the most striking features of the Russian constitution is that which has to do with representation from the standpoint of political units or groups of people through which may be had an expression of opinion.

In all kinds of orderly government heretofore men have been intrusted with responsibility because they have stood for a policy; their position might be affirmative or it might be negative, but at least their position was comparable.

This is the system that obtains in France, Italy, Great Britain, Switzerland, Canada, New Zealand, Australia, and in the United States. It is the system that it seems commends itself to thoughtful people everywhere. There are variations in the terms through which the system is worked out, but, after all, the one principle is held in view that people should have the opportunity of acting as units of thought. This principle is applied in the county when the issue is whether or not a system of county roads shall be built. It is applied in the State on State issues, and it is applied in the National Government. Accordingly, the people of our great land have learned to think on big subjects as well as upon little subjects. We have learned to think on issues that confront the Nation and the world as well as issues that confront the precinct and the county.

In Russia it is solemnly set forth in the constitution that the representation accorded to the people shall come from the class to which they belong; that is, a group of carpenters in a city shall elect a carpenter to the soviet, the blacksmiths shall elect a man who can swing a hammer, the painters shall elect one of their own group, while the farmers shall elect a farmer.

Here is a distinctive feature of the soviet system, and let us analyze it. What does it mean? It means selfish interest, pure and simple. It means self-interest magnified to the nth power. It means that the carpenter, as he considers a candidate for the urban soviet, shall have in mind not Russia, not a Province of Russia, not a county, but a little group of carpenters in the particular community which selects a member to the urban soviet. It means that the blacksmith will not think of the interests of carpenters or peasants, that he will not think of the interests of all Russia or the regional or provincial group, but that he will think of the interests selfishly of those who work at the forge.

It means that the farmer will shut his eyes to the well-being of everything else in his country and think of nothing but the welfare of the farmer of Russia.

It means in its last analysis selfishness to a degree unheard of, and it means disintegration of national sentiment and of national power. No people can be taught to look in and not out without becoming narrow, selfish, suspicious of others.

Now, it is urged in behalf of this system that every trade and craft is thereby given representation, but let us look a little further. I have already shown from the constitution that the people vote merely for the members of the urban soviet in the city and the rural local soviet in the country. These people, it is true, are limited in their choice of representation to a member of the craft to which they belong, but when the local soviet elects to the county soviet or when the county and urban soviets elect to the provincial or regional soviet or when the regional and urban soviets elect to the All-Russian Congress of Soviets there is absolutely no limitation in their choice, and the members of the county soviet under the Russian constitution could all be carpenters or blacksmiths, and so could the mem-

bers of the provincial, the regional, and the All-Russian Congress of Soviets. What, then, becomes of the government that recognizes each trade group? Under that system how can there be a more generous distribution of people in legislative bodies from among the trades than there is under our own system in our State, in our Nation?

I look around this Chamber and I see the Members here who have come direct from various trades or crafts.

There is my able friend from Ohio, Mr. COOPER, who stepped from the cab of a locomotive in order to assume the oath of office as a Member of this body. There is McLANE, of Pennsylvania, and there is CARSS, of Minnesota, both of them locomotive engineers. There is my friend Mr. BURKE, of Pennsylvania, who was a train conductor.

There is my friend Mr. WHITE, of Kansas, a farmer, and so is GANDY, of South Dakota, and LARSEN, of Georgia, and RIDDICK, of Montana; there is Mr. HUDSPETH, of Texas, who is in the cattle business.

Here is Dr. FESS, an eminent educator and who came to the Halls of Congress from a college presidency.

There is my friend NOLAN, of California, who hung upon the peg the apron of a molder when he came here to assume the responsibility of a Member of this body.

Representative SUMMERS, of Washington, is a physician and so is Representative LAZARO, of Louisiana, and Representative LAYTON, of Delaware. UPSHAW is a minister, and DAVEY, of Ohio, is a tree doctor.

Here are business men, here are men from the ranks of teachers, and here are lawyers.

More than that, I look about this body and I see men who have lived amid such surroundings as would bring them into contact with every interest of all our people.

McKENZIE, of Illinois; SMITH, of Idaho; TIMBERLAKE and TAYLOR, of Colorado; QUIN, of Mississippi; REBER, of Pennsylvania; and our highly esteemed former Speaker, CHAMP CLARK, were farmer boys; while MORIN, of Pennsylvania, in his early life was an employee in a glass factory; GARLAND was an iron puddler; and our distinguished floor leader, Mr. MONDELL, drove the pick in the mines of Wyoming.

RANDALL, of California, was a railway mail clerk. Representatives OSBORNE, of California, and JOHNSON, of Washington, and FOCHT, of Pennsylvania, worked at the printer's trade.

No, our Congress is made up of men who have seen all sides of life; and I have in mind the statement made not long ago by our beloved Uncle JOE CANNON, who as a boy and young man did the hardest kind of manual labor, that practically all of the Members of this body have gone through the period of physical toil in order to attain that which has come to them.

These men are directly representative of the people of this country.

No, gentlemen, our system means that every carpenter, that every blacksmith will have in view the broad vision of his country, of his State, of his county, and that every American citizen will be able to assume the responsibility of citizenship that recognizes something broader and larger than the selfish interests that are wrapped around the particular profession or trade or craft with which he happens to be identified. [Applause.]

Gentlemen, if the issue of the town pump is the absorbing issue to the people of the United States, the issue of the town pump in the little hamlet in Maine or in Florida or in Idaho, if that issue is greater than the well-being of State government, if that issue is greater than the question of whether or not we shall have a league of nations, whether or not we shall have a broad policy carried on through our Agriculture Department looking to the building up of agricultural resources, if that question is bigger and greater—the question of the town pump—than the question of a tariff policy that will mean a living wage for the workmen of the United States, if it is bigger than the question of intriguing alliances between the United States and foreign countries, then, gentlemen, and only then, would the soviet system, as it recognizes craft units instead of thought units, be better for the people of our country than our present system.

But I do not so believe. I believe by giving the American farmers, carpenters, miners the right to vote for a Member of the House of Representatives, for the governor of the State, for electors who will select a definite man for President we help the farmer, the carpenter, or the miner to become broad in his vision and to look out far beyond the fields that are bounded by his own fences or the workbench upon which his tools lie or the tunnel in which he drives his pick. It is only in the discussion of big things that our people can become large, broad-minded, and capable. It is only by the consideration of problems that have bearing upon the welfare of men and women, not only of my own home but 3,000 miles removed from the place where I live, that I can become the highest type of American citizen or

that citizens in your State can respond to that which they ought to respond to under our type of government.

#### THE FRANCHISE.

In a government that has been heralded so widely as being the most profound experiment in democracy that has ever been undertaken we would naturally expect that the franchise would be along lines that would recognize all mankind embraced within the citizenship of the nation as standing upon an equal footing. The United States has for many years adhered to that principle. It was that principle largely for which our fathers died when they established our Government, and yet that principle seems foreign to the way of thinking of Lenin and Trotski as they shaped the Russian constitution.

Now, may I draw the deadly parallel of the franchise as it exists in Russia under the soviet system according to the constitution and as it exists in the United States:

THE FRANCHISE UNDER THE SOVIET SYSTEM IN RUSSIA AND IN THE UNITED STATES.

#### The deadly parallel.

##### RUSSIA.

1. The franchise extends to all over 18 years of age who have acquired the means of living through labor that is productive and useful to society and also persons engaged in housekeeping for the former.

2. Soldiers of the Army and Navy.

3. The former two classes when incapacitated.

Disfranchised and not eligible for office:

1. Persons who employ hired labor in order to obtain from it an increase in profits.

2. Persons who have an income without doing any work, such as interest from capital, receipts from property, etc.

3. Private merchants, trade and commercial brokers.

4. Monks and clergy of all denominations.

5. Employees and agents of the former police, the gendarme corps, and the Czar's secret service; also members of the former reigning dynasty.

6 and 7. Persons unfit on account of mental ailment or criminal record.

##### UNITED STATES.

The franchise extends to men in all States (and women in many States, and soon in all) who are citizens and over 21 years of age, less those disfranchised on account of illiteracy, mental ailment, or criminal record.

Bear in mind the liberal franchise with which the American Nation meets her citizens and let me ask you to contemplate the franchise that is handed out to the people of Russia. All people of Russia who are 18 years of age or over who have acquired the means of living through labor that is productive and useful to society and persons engaged in housekeeping in behalf of the former are entitled to the franchise. Who else? The soldiers of the army and navy. Who else? Any of the former two classes who have become incapacitated.

Now turn to the next sections of the Russian constitution and see who are disfranchised.

The merchant is disfranchised; ministers of all denominations are disfranchised; and then, while condemning the Czar for tyranny, the soviet constitution solemnly declares that those who were in the employ of the Czar or had been members of certain military and police groups and the members of the families of those who had ruled in Russia for many generations shall be denied suffrage.

Persons who have income from capital or from property that is theirs by reason of years of frugality, industry, and thrift are penalized by being denied the right to vote. They are placed in the class with criminals, while the profligate, the tramp who works enough to obtain the means by which he can hold body and soul together, is able to qualify under the constitution of Russia and is entitled to a vote. Under that system in the United States the loyal men and women who bought Liberty bonds in their country's peril would be disfranchised while the slacker would have the right of suffrage.

Persons who employ hired labor in order to obtain from it an increase in profits may not vote or hold office. Under that system the manufacturer who furnishes employment for a thousand men would be denied the ballot, while those in his employ could freely exercise the right of franchise. Under that system the farmer who hires a crew of men to help him harvest his crop is denied the franchise. Under that system the dairyman who hires a boy to milk his cows or to deliver milk is denied the franchise.

The farmer is discriminated against, especially in the fixing of the groups of people who are disfranchised under this last provision to which I have directed attention.

Does the soldier employ labor? No.



Does the sailor employ labor? No.

Does the craftsman employ labor? Not generally.

In the cities those who are interested in industrial lines are very few in comparison with the craftsmen, the soldiers, and the sailors; but how about the country? We know that every successful farmer now and then needs to employ additional labor. He needs to employ it when he puts in his crop; sometimes he employs it when he is caring for the crop; usually he must employ it when the harvest season is on. Now, what does this mean? It means that in all Russia every farmer who has gumption enough to continue his business along such lines as make it necessary that he employ so much as one man to help him in his work when the services of that man are of assistance in increasing the income of the farmer is disfranchised.

No; the whole scheme, with all the other iniquities that I have indicated, is a deliberate plan to eliminate the farmers, the peasants of Russia, from a share in their government.

But this provision of the constitution is more deadly still. It crushes out all progress, all ambition. The carpenter who would like to take a contract and employ men to help him in his work must forfeit his right to vote. The blacksmith who is enterprising and puts a second forge and anvil into his shop and employs a helper must forfeit his franchise. The farmer who is frugal and thrifty and industrious, and who employs another man to help him put in his crop or tend it or harvest it, thereby loses his right to vote. Why, gentlemen, here is a system that chains men down; here is a system that makes men slaves; here is a system that puts a premium on sloth and indolence and stupidity, and chains the hands of him who would arise.

#### OTHER AMAZING FEATURES.

The constitution of Russia adopts the declaration of rights as part of the organic act to the extent that changes have not been made by the constitution. Examining them—the constitution and the declaration of rights—we find other most astounding doctrines in the soviet fundamental law. I shall not discuss but merely mention only a few of them. They do not pertain so much to the structure of government as they do to the economic and social conditions surrounding the people under the soviet system:

First. Private ownership of land is abolished. (No compensation, open or secret, is paid to the former owner.)

Second. Civil marriage alone is legal.

1. By act of the All-Russian Congress of Soviets a marriage may be accomplished by the contracting parties declaring the fact orally or by writing to the department of registry of marriage.

2. Divorce is granted by petition of both or either party upon proof alone that divorce is desired.

Third. The teaching of religious doctrines is forbidden in private schools as well as in schools that are public.

Fourth. No church or religious society has the right to own property. (The soviet leaders boldly proclaim the home and the church as the enemies of their system, and from the foregoing it would seem that they are trying to destroy them.)

Fifth. Under the general authority granted to the soviets by the constitution inheritance of property by law or will has been abolished.

These amazing features of the constitution and laws enacted under the constitution speak more eloquently than any words that could be used to amplify them in portraying the hideousness of a system of government that, if permitted to continue, must inevitably crush out the home in large part by the flippancy with which marriage and divorce are regarded, by the refusal of permitting the land to be held in private ownership, and by refusing the parent the right at death to pass on to his wife or to his children the fruits of years of toil. Furthermore, the constitution has gone as far as it seems it could go in the effort to wipe out religious thought and to make Russia an atheistic nation. No church or religious society may own property, and religious doctrines which could properly be barred from public schools may not be taught in even a private school. That means that the home, shattered and wrecked as it is, shall be the only center in which religious ideas may be reasonably considered and there can be no general and systematic comparison of religious views, or culture, refinement, and purity of life attained through their general consideration.

#### A PYRAMID OF TYRANNY.

Gentlemen, if what I have said in analyzing the Russian soviet constitution is amazing; if the disfranchisement of the people by arrangement of representation in the soviets and by the withholding of suffrage is startling; if the provisions to which I have just referred pertaining to the ownership of land, inheritance, limitations on religious teachings are hideous, there is one feature still that is impossible in connection with a government of people who would be free.

I refer to the language of the constitution that specifically provides that in a pyramidal manner the power of each soviet increases from the small unit to the higher until in the All-Russian Congress of Soviets complete and absolute authority has been conferred. This feature of the constitution is so amazing that I want you to hear me read the three sections of the constitution which confer this tyrannous power. Remember in connection with this how far removed from the vote of the people are those intrusted with the power conferred. I read:

SEC. 12. The supreme power of the Russian Socialist Federated Soviet Republic belongs to the All-Russian Congress of Soviets, and, in periods between the convocation of the Congress, to the All-Russian Central Executive Committee.

SEC. 50. Besides the above-mentioned questions (broad powers conferred specifically in sec. 49), the All-Russian Congress and the All-Russian Central Executive Committee have charge of all other affairs which, according to their decision, require their attention.

SEC. 62. The congresses of soviets and their executive committees have the right to control the activity of the local soviets (i. e., the regional congress controls all soviets of the respective regions; the provincial of the respective province, with the exception of the urban soviets, etc.); and the regional and provincial congresses and their executive committees, in addition, have the right to overrule the decisions of the soviets of their districts, giving notice in important cases to the central soviet authority.

What I have said in analyzing the Russian soviet system is upon the assumption that the constitution is adhered to and that the provisions of the government, such as they are, are faithfully followed throughout Russia. Disgraceful and tyrannical as the system would be were it carried out according to the letter of the soviet constitution, the cold, bare fact is that the soviet constitution is not respected by those who are trusted with responsibility under it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. Mr. Chairman, I ask that the gentleman's time be extended—

Mr. KITCHIN. Mr. Chairman, I yield the gentleman five additional minutes.

The CHAIRMAN. The gentleman from Idaho is recognized for five additional minutes.

Mr. FRENCH. I thank the gentleman for this courtesy.

Gentlemen, in a system in which the executive authority is so far removed from the people, the executives have not hesitated in their arbitrary rule to exercise this function of government. All over the part of Russia that is dominated by the soviet government terrorism prevails, and the terrorism emanates from the central authority of government as it is represented in Lenin and Trotsky.

Local elections are held, and those in authority furnish the particular ballots to those who are the mere tools or puppets of Lenin and Trotsky, and they deposit the ballots in the ballot box under the watchful eyes of those who have the election in charge. Then if the election has not resulted in the way in which the authorities desire, no matter if those elected to the soviet are earnestly and faithfully responding to the will of the people who elected them, the soviet is dissolved and a new election must be held.

I could cite in this connection the instance in one city where an American with whom I am acquainted spent many months, where the local soviet had been regularly chosen and where the executive officers of the local soviet were administering the affairs under the jurisdiction of the soviet in response to the public sentiment of the community, but not in accordance with the wishes of Lenin and Trotsky. It was not long until a representative of the executive committee of the All-Russian Congress of Soviets visited the city to which I refer, and those who had been intrusted with responsibility by the people and the members of the urban soviet were ousted from office and a soviet that was in line and in harmony with Lenin and Trotsky was chosen in its place.

Another man with whom I am acquainted, but who is a native of Russia and is familiar with the entire system, told me that there is no limit to the authority of the executive officers of all Russia, "other," said he, "than the amount of powder in their guns and the distance to which their rifle bullet will carry."

#### THE SYSTEM IN PRACTICE.

In maintaining this system it would be commonplace for me to cite instance after instance like that to which I have called attention. The papers have been filled with it, the magazines have told of it. I have talked with men after men who have come back from Russia and the same story is theirs. Not only are elections set aside and not only are the people dominated in this high-handed way, but all who dare to stand in the path of the all-powerful executive committee of the Russian Government are dealt with most ruthlessly. Men and women are murdered by the officers of the Government for no other reason than that they are opposed to the soviet system. Indeed, more than that, the relatives of men who have had the

courage of their convictions have been murdered because, forsooth, they happened to have kinsmen who were brave enough to stand out in their communities against the Russian system. This high-handed system of butchery and death that has prevailed for more than two years has been carried on to such an extent that in large part the educated, the thoughtful, the well-trained men and women of Russia have been exterminated or have been driven from the country. These are not idle tales; these are the reports and statements that come to us from those who have had the opportunity of close observation in Russia, no matter whether they have been Russians themselves or citizens of other countries who have had the opportunity or the dread privilege of spending months in Russia during the régime of Lenin and Trotski.

More than that, the very system has reflected itself upon the industrial life of Russia. It was ushered in as a system that would be the panacea for labor disturbances, that would mean equality among the people of Russia, but what has been the result of the system? Before the system was adopted, even in spite of two or three years of war in which Russia had been constantly engaged, her factories were operating, her railroads were being administered, her cities filled with populous throngs, and albeit the hardship of war was present, Russia was a live nation, but what is the situation to-day? Factories have been closed or destroyed until at this time there is only a small percentage of factories and mills of Russia in operation in comparison with those that were running only two years ago at the beginning of the soviet régime.

The railroad systems of Russia have been so badly crippled that to-day the soviet government can not find men to equip properly one-tenth of the engines upon the tracks.

More than that, the artisans, the mechanics, the trained and skilled workers of Russia who are not being used in the army and navy for the purpose of keeping down and intimidating the peasants and other right-thinking people are being used for the most part in the factories that are turning out munitions of war with which to support the autocratic power of Lenin and Trotski.

The whole history of Russia for the last two years has been that of a saturnalia of financial, of social, of industrial ruin, with all that those words imply. Worse than that, for following Lenin and Trotski into authority rode the four horsemen of the Apocalypse—War, Famine, Pestilence, and Death—and the population of Petrograd, the capital of Russia, has been reduced in two years from more than 2,000,000 to between 500,000 and 750,000 people to-day. The population of other fair cities and splendid country settlements has been woefully chastised. Famine, hunger, disease—these are raising havoc in all the parts of Russia that are under the rule of the soviet; and through the curse of that despotic system—the brute force of Bolshevism that is masking in the name of democracy—untold thousands of that brave people are forfeiting their lives because they stand for law and order and decency in government.

#### THE ARRAIGNMENT.

What, then, is my arraignment of sovietism according to the soviet constitution?

1. The people have no direct vote or voice in government, except the farmers in their local rural soviets and the city dwellers in their urban soviets.

2. The rural, county, provincial, regional, and all-Russian soviets are elected indirectly, and the people have no direct vote in the election.

3. The people have no voice in the election of executive officers of the highest or lowest degree.

4. There is no mention of justice or judicial officers in the constitution.

5. The people are very largely disfranchised.

6. The farmer of Russia is discriminated against:

(a) Equal representation is denied him.

(b) He may vote for only the members of the local rural soviet, not for rural, county, provincial, regional, or All-Russian Congress of Soviets.

(c) The farmer who employs any profitable labor is disfranchised.

(d) The city voter has a double voice in electing the regional and all-Russian soviets.

7. The system raises class against class; the voters vote by trade and craft groups instead of on the basis of thought units.

(a) This means rank selfishness.

(b) It kills national and even provincial and county interest or loyalty.

8. The system strikes a blow at the church and the home.

9. The system is pyramidal and means highly centralized and autocratic power.

How much of Russia is under soviet jurisdiction?

The boundary line is not clearly marked. It is my judgment, however, that all of Siberia refuses to bow to Lenin and Trotski. The southern part of Russia is practically free from the soviet system. Poland is free. The western Provinces on the Baltic refuse to yield, and a rather indefinite region in the northern part of Russia resists the extension of the soviet system. In my judgment, 90 per cent of the people of Russia are opposed to the system, and, in my judgment, an overwhelming majority of the people of the part of Russia that is under the control of the soviet government are opposed to the rule of Lenin and Trotski. This is borne out by the testimony of writers of Russian birth, of those who have fought the old battles for freedom within Russia, who have spent months and years in Russia and have seen that country in good days and in bad and who understand the true sentiment of the people of that unhappy land.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EVANS of Nevada. I yield five minutes of my time to the gentleman.

The CHAIRMAN. The Chair is not aware that the gentleman had any time.

Mr. KITCHIN. I yield it to the gentleman from Nevada if he desires to yield it to the gentleman from Idaho. [Applause.]

Mr. FRENCH. Mr. Chairman, I am under obligations to my friend from Nevada.

#### A WORD IN CONCLUSION.

I have only a short word in conclusion. I believe that it was Carlyle who said that the best kind of government in the world would be the kind of government that could be presided over by one man, provided the one man were wise enough and good enough to control. The trouble is you can not find the one man, and if you could find the one man the fact that he does not have immortality would make the type of rule that he would administer unwise because it would come to an end, and when the end should come the people would suffer because they would be unfamiliar with the way of administering their government.

My country under the representative system may make mistakes day after day and year after year, but I prefer still that government rather than a government in the United States presided over by one man or by a set of men who make no mistakes. No man could live forever, and after his death chaos would be in our land, because the people would be untrained.

No; the soviet system of government can not be defended. It is against the interests of the very men for whom it is supposed to have been established—the laboring man. He is the man most of all who must suffer under any kind of government or system that is wrong. He is the man who would be out of bread within the shortest time. He is the man whose family would be destitute of clothing in the shortest time. He is the man whose family will suffer most through disease, famine, and pestilence in the shortest time.

As it is against the best interest of the laboring man, so it is against the best interest of all our people, and, as a matter of fact, the overwhelming mass of people of this country and all countries is made up of laboring people.

In spite of statements of agitators, in spite of leniency that we accord even the anarchist and I. W. W. speaker who denounces our Government to uphold and exploit the features of the soviet system, I take it that the great rank and file of Americans hold closely wrapped up in their souls that which represents the cost price of free government in America and that they are not going to throw away their birthright or sell it for a mess of pottage. They turn back in the traditions of their families and they see vividly and live over again the trials, hardships, suffering, and death of the fathers of the Revolution, who purchased our Government for us. They follow through the sufferings at Valley Forge, they see the sacrifice at Bunker Hill and at Yorktown, they see the struggle of free people everywhere, they follow through the struggles again that our country has been asked to bear from the days of the establishment of representative government until to-day. Our present generation is largely represented, and for another 50 years must be largely represented, and dominated by those who have had part in the heroic struggle in the last few years for the preservation of the liberty of the world. For what did our boys fight at St. Mihiel, the Argonne, and Belleau Wood? Was it for the soviet system of government? No; a thousand times no. Rather it was for a system of government where the ideals of free peoples prevail, where there is freedom of religious worship, where there is no stricture upon the conscience of man, where there is liberty of voice and the press, where justice is administered to all alike, and where the people, regardless of race or creed, regardless of religious or political thought, may have the right of an equal share in the responsibilities of government.



Gentlemen, they fought and they died for America, whose Government in warp and woof was created for the people, is of the people, and is maintained by the people of our splendid land. [Applause.]

Mr. GREEN of Iowa. If the gentleman will permit, the very last clause of the first paragraph provides that this shall be ascertained, determined, and promulgated by the Secretary of the Treasury.

Mr. HULL of Tennessee. I asked permission a while ago to extend my remarks in the RECORD on this bill.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. KITCHIN. I yield 10 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, I rise to say a few words on the subject of popular unrest in the United States. This is a subject that I believe it will be conceded I have some small qualifications to speak on. I am in close touch with the laboring classes throughout the entire country and have reason to believe that I have their confidence. I come from a great industrial district. I have recently spent my vacation in intimate intercourse with my constituents, with the people who work in my district, and I think I clearly understand their ideals and point of view.

#### THE UNREST IS INDUSTRIAL, NOT POLITICAL.

That there is unrest is obvious. This unrest is industrial and not political. It is of great importance that we preserve this distinction, otherwise we can not hope to understand and to remedy it. There is, of course, some political unrest also. We have always had it more or less. Perhaps it is now somewhat greater than heretofore, but it is as yet comparatively trifling and is no cause for serious alarm. Political unrest to the present is substantially nonexistent. Industrial unrest, however, is widely prevalent, serious, and demands prompt attention and immediate remedy.

The prevailing industrial unrest may be converted into political unrest if it is met with or sought to be suppressed by political measures. But, as I have said, at present undoubtedly it is almost purely industrial in every aspect. Not one workingman out of ten thousand is dissatisfied with fundamental Americanism or has any desire to change the principles of our Government or would have any thought of trying to overthrow the American Government by force. To the contrary, the men who work with their hands in the United States, the great masses of the people, are the strong bulwark of the principles set forth in the Declaration of Independence and the Constitution. They conceive that they are, and should be, the peculiar defenders of those principles, because they are the large and peculiar beneficiaries of them. They consider themselves as deriving special benefits from the American form of government. They hold, as does no other class, to the ideals of self-government, that "governments derive their just powers from the consent of the governed," and they prize beyond all material things the fundamentals of trial by jury, due process of law, free speech and free press, freedom of religion, of opinion, and of the right of assemblage.

Why, gentlemen, if a class should arise in our country and attempt to do violence to the things which you and I recognize and love as the principles for which our fathers fought and which America achieved by her independence, there is not one workingman out of ten thousand in America, young or old, but would gladly lay down his life in defense of his country.

Of course, there is political discontent as there has always been. There are no doubt some misguided spirits who dream of violence and disorder, a radical few who would seek to inaugurate class rule. They are found almost wholly in the big cities and among those foreign-born who do not yet fully know our country. But at heart the workingman and farmer are sound and true in their Americanism. The charge against their loyalty and devotion springs from ignorance or worse.

#### UNREST GROSSLY MAGNIFIED.

It is a great mistake to magnify the unrest in the country and represent it as being of a political nature; it is worse than foolish. I regret to have heard even in this Chamber echoes of the widespread propaganda which is being carried on to the effect that a large part of the working people are disloyal to our institutions. Every time there is a serious labor dispute I hear it said that "Bolshevism has come to America." If a set of workingmen try to get wages responsive to the increase in the cost of living, they are called "I. W. W.s." If they dare to talk the idealism that characterized our great Nation during the recent war, they are called "revolutionists." And so on and

on, these epithets are cast at men who are innocent of disloyalty, not merely by the parasite newspapers, but even in this Chamber.

I deplore this propaganda magnifying unrest beyond words, because it tends to convert it from industrial unrest into political unrest. It tends to make real the political unrest which is now almost wholly imaginary. I repeat, the masses are loyal to America; they will preserve Americanism with their lives; their dissatisfaction is with the abuse and perversion of American opportunities, with excrescences on Americanism, with the greed, monopoly, and exploitation which aim to defeat real Americanism. These they would meet and destroy, not by violence but by lawful American methods.

The causes of the existing industrial unrest are obvious. Wages have not generally risen to correspond to the cost of living. The increase in the cost of living is somewhere about 80 per cent since 1914. Wages on the whole average have not increased above 40 per cent. I made some calculations and collected the facts a few months ago, which I am satisfied are fairly correct, which showed that the increase in wages had been only 34½ per cent since July, 1914. The war being over, men who work for wages feel that their wages ought to go forward to meet the increase in the cost of living, and when they are met by a stone wall of opposition and the determination of the big employers to fight them to the death there is a resulting unrest, of course. They consider that as the war was fought to substitute justice for might and to make the world safe for the small and weak, some recognition of the brotherhood of man should be shown by their employers, and they are dissatisfied with the cynicism with which their employers meet their desire for some measure of democracy in industry.

#### PROFITTEERING THE CHIEF CAUSE.

Again, the profiteers are abroad in this land. Laboring men made heavy sacrifices to carry on the war. They made their sacrifices in a spirit of patriotism excelled in no other class. They came out of the war with much less than many other classes. Labor did not profiteer; it is a slander on labor to say that it profiteered during the war. Labor has not profiteered; it has been and still is the chief victim of the profiteer. Generally the big employers made immense profits out of the war and filled their pockets full of money. Their employees, knowing this, accepted the situation with the best patience they could muster during the war when the welfare of the country required it, but now that the war is over and the employers' profits go on, they see no reason why a division of these profits should not be made with them. Labor is tired of being preyed upon by profiteers; labor feels like demanding wages in keeping with the cost of living; labor desires that the human element be considered and that it be no longer held as a mere commodity. Labor is dissatisfied, yes; but disloyal to America, no, a thousand times no!

Now, to return to my point. It is a great mistake to magnify the popular unrest. It is more than a mistake; it is a serious wrong against our country to affect to believe that the dissatisfaction which comes from economic causes is due to a lack of patriotism and Americanism. Such charges are calculated to produce the very disloyalty which we would avoid. Governmental measures based upon such a false assumption amount almost to criminal folly. By such action and such injustice governments may shake even the stoutest patriotism—they may strain the surest fidelity.

#### "SIDE SWIPING LABOR."

I can understand why it goes on in the newspapers. Apart from their passion for sensationalism, for excitement, and hubbub, they are under the control of the big employers, and it is a way to side swipe labor to say "you are disloyal." Its purpose is to alienate from the wage earners the sympathies of the general public so that the workers may become easier prey to those who wish to exploit them. I understand why the newspaper propaganda is carried on, but I can not understand why it should be echoed here, and I hope that the aspersions which have been cast on men who work will cease.

I want to speak a word of warning. *The way to convert industrial unrest into political unrest is to attempt to suppress it by political measures.* If you undertake to suppress the lawful and reasonable aspirations of men who work by the strong hand of the law, it will be dangerous, I fear. Let us not engage in dangerous experiments in dealing with the reasonable discontent of our citizens.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. KITCHIN. Mr. Chairman, I yield 10 minutes more to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, if our Government, by its legislative, judicial, or executive branches, shall do anything

to cause men who work to feel that they can not expect a fair deal from their Government, we will be doing a dangerous thing. The workingman must have faith that can not be shaken—that he can look to his representatives and to executives and courts for justice and for a square deal in his disputes with his employer. A few actions such as have been recently taken in inept dealing with labor disputes can do more to produce political discontent, dissatisfaction, and disloyalty than all of the pratings of agitators or disloyalists.

"LYING NEWSPAPERS."

I place most of the blame for existing unrest upon the newspapers. They seem to be largely giving themselves to magnifying and fomenting it. Always subservient to wealth and position, recent months have shown them in new depths of servility to the upper classes. They delight in scareheads and sensational articles upon evidences of unrest. The more reactionary the newspaper is the more vicious is its attempts to shake public confidence. Of course, it is a deliberate propaganda. Every labor disturbance is represented as the work of "aliens" or "I. W. W.s." Tales of disorder are collected from remote points, greatly exaggerated and charged to "reds." A riot, large or small, gets a scarehead as "attempted revolution." Radical literature is exploited and quoted from as evidence of "widespread anarchistic conspiracies."

Exaggeration and mystery are the keystones of their policy. Unfortunately these dastard methods of molding public opinion have met with marked success. Though political discontent is comparatively nonexistent, the average unthinking citizen has been filled with the fear that America is on the brink of class war, anarchy, and revolution. The purpose of these newspapers is, of course, to gain for the big employers a temporary advantage over labor. In their stupidity they do not realize that such temporary present gain may have to be paid for with a heavy price in future. In their shortsightedness they see only the present hour. *I wish that they might have eyes to see that the way to meet false agitation is with the truth, and to meet well-founded agitation is with fair compromise and concession. The way to meet industrial unrest is with justice and a square deal for the wage earner. There can be no permanent solution through other means.*

THE BIRMINGHAM DAILIES.

The parasite newspapers "side swipe" the dissatisfied workman by calling him an "alien" and his chosen labor officials "agitators" and "reds." They show no mercy either to the worker or his friends. If from patriotic or humanitarian motives a public or private citizen shows interest in the masses, concerns himself with their problems or gives them his confidence and support, no epithet is too vile for these newspapers to fling at him. They stop at nothing to discredit or destroy him. I read numerous newspapers. Bad as they are, they are all we have for current information. In my low opinion of them generally I hope I am not influenced by the viciousness and stupidity of the dailies of my home city, though the latter are below the average. As an illustration of their methods I refer to an instance which occurred during the recent brief vacation of Congress.

On November 30 I made a short speech in Birmingham at a meeting of workmen held out of respect to me as their Representative. In reporting the speech the Age-Herald quoted me as having said, among other things:

The fundamental principle of Americanism is for every man to have the same political right as the other man and the right of the whole people to have a voice in the Government.

I am not in sympathy with the campaign that is being waged against the so-called aliens. These aliens are good enough to be brought over to this country, and they are good enough to remain here.

The fight against them is just a blow at the workingman, for the alien, like the rest of us, is asking for the same rights and the added increase in wages, and is just as much one of us as the man who was born in this country. Then, why deport him?

"DELIBERATE FALSIFICATION" AND "LYING COMMENT."

The report was misleading and gave neither the words, purport, nor spirit of what I said, but it furnished the text of a vicious editorial attack on me in the News of December 1. Editor Glass, of the News, wrote the editorial himself. He was not present at the meeting. He did not verify the Age-Herald report, but did the unprecedented thing in journalism of accepting it as absolutely true and making it the basis of his attack. The Age-Herald report was misleading, but Glass, with characteristic venom and malice, deliberately falsified the report by lying comment upon it. After quoting that part of the Age-Herald report, Glass said:

This view argues the speaker's entire sympathy with all the anarchistic aliens of the I. W. W. type, who have done so much in the past two years to injure the country of their adoption and to undermine the sanity, patriotism, and efficiency of true American laboring men. He would not see deported the men on the Pacific coast who

from ambush have shot down former overseas patriots still wearing the uniform, because they were standing up for law and order, nor is he willing to see the Emma Goldmans and the thousands of other anarchists who have propagated the doctrines bearing that sort of fruit kicked out of the land whose freedom they have abused and whose liberty they have degenerated into license.

There were numerous false statements made in the editorial, but what I have read suffices to show its diabolical malice. What I really said was by way of comment on the steel strike. I said that Gary and his mouthpieces answered the strikers by calling them "aliens" and demanding their deportation if they would not return to work; that the Steel Trust had brought these men over from Europe to get the benefit of their labor, to take the jobs of American workmen and to breakdown the standard of American wages and living, and now that they had become accustomed to America and its ideals and sought to raise themselves to American standards and to better their condition by going on a strike the cry was raised "they are aliens, deport them." I said that if these men were good enough to be brought over to take the jobs of American workmen they were good enough to strike for decent wages and a decent living and as strikers were entitled to the same treatment that other strikers received.

In my speech I did not refer to anarchists, disloyalists, or criminals in any way, and certainly did not attempt to defend them. I expressed no opposition to the deportation of criminals or others subject thereto under our immigration laws. Neither at that time nor at any time have I defended crime, violence, or disorder by word or implication. Any criticism of me upon such grounds is malicious, venomous, and false.

But there is no falsehood to which the editor of the News would not stoop to do me an injury. I have had previous experiences with the News and the Age-Herald. They sought diligently to destroy me during the 1918 campaign. The recent instance is but a repetition of their dastardly attacks. During that campaign the News published similar editorials to its recent attack on me. The Age-Herald published vicious and stupid cartoons of me almost daily and, in self-defense, I was compelled to bring a libel suit against it. This suit was recently tried before a jury and a judgment of \$30,000 damages awarded me. I called the trial of my suit "a school of decency and manners." There seemed no other way to teach the Age-Herald these qualities. I am hoping that it may be benefited by its tuition fee.

THE REMEDY FOR UNREST.

It is time for the newspapers and those who control their policies to leave off dollar grabbing and playing for petty temporary advantage and look forward to the security of our country. They decry class prejudice in others, yet in their own small class of a favored few stand together like one man. They hound all classes but their own. They are doing more by their methods to provoke class consciousness and class solidarity than all other influences. They are rapidly driving the masses to a realization of the necessity of class action for their own protection. Of course I deplore class strife, but how can I discourage class consciousness among the masses when that seems to be the only way by which they can defend themselves against a small, domineering, class-conscious group which holds as its supreme precept "one for all and all for one" in its dealings with the masses. I would bid big business men and their editors and parasites to look upward, to hold a little to humanitarianism, to know "that none serves himself so well as he who serves his fellow man, and none serves his country so well as he who labors for reasonable equality among all its citizens in right, privilege, and opportunity."

Unrest provoked by injustice is righteous. Men do good work as free men, not as slaves. The remedy for unfounded discontent is not the gag, but reason and fair argument, and for righteous discontent not the iron hand of the law but justice and a square deal.

Loyalty can not be compelled. We may always trust the citizen to love and defend the government which deserves to be loved and defended.

Mr. HARDY of Texas. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

Mr. KITCHIN. Mr. Chairman, an antidumping proposition is not a new one. The Democrats were the first to introduce and to pass an antidumping proposition. I congratulate the Republicans on having followed the Democratic example. The Underwood bill, as reported to the House and as passed by the House, every Democrat voting for it, contained an antidumping provision almost exactly like the provision in this bill, except



that it limited the amount of additional or special duty to 15 per cent—that is, to the difference between the sales price here and the market price in the country from which imported, but in no case to exceed 15 per cent—and provided further that no additional duty should be levied upon any article that already bore a duty of 50 per cent. This bill eliminates the limit. When the Underwood bill went to the Senate, the Senate struck out the antidumping provision.

In the act of 1916, which the Democratic Congress enacted, we have as stringent and as drastic an antidumping proposition as is contained in this bill, but the Tariff Commission thinks that it is not practically workable, that you can not administer it as easily as you can a provision like this. In the act of 1916 it is provided:

Sec. 801. That it shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell, or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight, duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States; *Provided*, That such act or acts be done with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.

If an article is imported at a price substantially less than the price in the markets of the country of production or of other foreign countries to which it is commonly exported, while the act of 1916 does not provide, as this bill does, the levying of an additional duty, it does make it a criminal offense punishable by a fine of not to exceed \$5,000 or by imprisonment of not to exceed one year, provided the importer does it with intent to injure or destroy an industry in the United States. The Tariff Commission declare that it is not workable, for the reason that it is almost impossible to show the intent on the part of the importer to injure or destroy business in the United States by such importation and sale.

That is the trouble with this antidumping act of 1916, which is now the law. You have to show the intent of the foreigner, the intent of the importer, to injure or destroy some particular industry in the United States. The business here might be injured, might be destroyed, by such importations and sales as effectively without such intent as with it. The purpose of this bill is to prevent such unfair competition by the importation of articles at a price below that prevailing in the market of the country from which imported by adding a special duty equal to the difference between the imported sale price here and the price or value in the principal markets of the country from which the article is imported.

You must remember that the present tariff act, as well as the Payne Act, the Dingley Act, and other tariff acts, base the ad valorem tariff, not upon the price which the importer pays, not upon the cost to him of the article, but upon the value or price of the article in the principal markets of the country in which it is purchased or from which it is imported. For instance, suppose I purchase an article to be imported here for \$10 in Germany or France or Great Britain, and suppose that the value or price for which that article is sold in the principal markets of such country is \$15. Under all of the tariff acts, the existing act as well as the others, the ad valorem tariff is based and calculated not upon what it costs me, \$10, but upon the \$15, the market value or price in such country. This bill provides for the levying of a special duty, in addition to the regular duty under existing law, which shall equal the difference between the import price or cost here and the price or value of the article in the principal markets of the country from which it is exported. For example, if the import price or cost is \$10, and the value or price of the article in markets of the country of exportation is \$10, the special duty would be \$5. This bill, as the present act does, denounces such sales and importations as "unfair competition" with our domestic industries. We Democrats want competition, but we want fair competition. The Democrats favor and have provided a tariff that will prevent by any domestic industry a monopoly at home and also will prevent the foreigner from establishing a monopoly here. We tried to guard against unfair competition by the foreigner by the passage of the act of 1916. We are willing to have foreign goods coming over here in competition with American-made goods, but there must not be such a competition that will destroy the American industry and thus give the foreigner the monopoly. It must be fair competition. We believe that the industries of the United States can stand fair competition. We differ with the Republicans. The Republicans have no confidence in our American industries. They have no confidence in the

genius, capacity, and resources of our American manufacturers. They have no confidence in the skill and efficiency of American labor.

They claim that every country on earth can make and sell goods cheaper than we can in the United States; that the foreign manufacturer can ship across the seas, pay freight to the interior, and undersell here our own manufacturers; that the labor of other countries, even the cheap labor of Japan and China, is more efficient than the high-priced skilled labor of America. We Democrats have more confidence in American industry, more confidence in the genius and business capacity of the American manufacturer; we have got more confidence in the efficiency and skill of American labor. Republicans demand a prohibitive tariff to prevent any foreign competition. Democrats favor a competitive tariff, a tariff that will admit fair competition. We have the confidence in American industry that it can stand, that it is able to meet fair competition from every quarter. We are willing, we are anxious, to guard American industry against all unfair competition. This bill does that.

In the Clayton Antitrust Act, which we Democrats passed, we provided against unfair competition among our domestic industries. We made it a criminal offense for a domestic industry to sell in one section of the country or to one purchaser at a different or lower price—excluding the difference in freight—than he sells in another section or to other purchasers for the purpose of lessening or destroying competition or establishing a monopoly. We made such an offense punishable by a fine of \$5,000 or imprisonment for one year in the penitentiary, or both. I will read the section:

That it shall be unlawful for any person engaged in commerce in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia.

And so forth.

Now, if it be proper and just to protect our domestic industries against unfair competition by other domestic industries, why is it improper and unjust to protect all our domestic industries against the unfair competition of foreign industries?

I will say to the chairman of the committee that while the first section of the bill intends to cover the point raised a few moments ago by the gentleman from Tennessee [Mr. HULL], I am very doubtful if the language is sufficient to clear the matter and express what the committee really intended. Now, the first section reads this way:

That the "special duty" provided for in this act shall be levied upon all articles imported into the United States of a class or kind identical or comparable with a class or kind made or produced in the United States.

And so forth.

That was intended to prevent articles produced abroad from coming into unfair competition with similar articles produced here—produced here in substantial quantities. If there are no similar articles produced here in any substantial quantities, there is no use for this act to apply to such articles imported. Take, for instance, coffee. We produce no coffee here in substantial quantity, though we may produce a few pounds from hot-house plants. We want to get our coffee as cheaply as possible. There can be no "unfair competition," because we produce none with which the foreign coffee competes. We do not care if it sells for 25 cents a pound in Brazil or 25 cents a pound in other countries. It would be to our interest to get it for 5 cents a pound, if we could. Take tea. We have no tea industry here, though I believe a gentleman in South Carolina does produce a few pounds. By this bill we did not intend that such "special duty" should be levied on tea, if it should be imported here cheaper than it sells for in the country of exportation, because some tea, though only a few pounds, was produced here. The language in the bill might be construed by the Secretary of the Treasury to mean that if there were produced here any quantity, however small, of an article similar to the article imported, the special duty shall apply to such imported article.

Mr. TILSON. Will the gentleman yield?

Mr. KITCHIN. I will.

Mr. TILSON. Where no article is produced in this country, or substantially none, what would be the economic reason for the foreigner selling in this market at a less price than it is sold in his home market?

Mr. KITCHIN. There would not be any, unless there were two or more foreign countries competing with each other in this market.

For instance, if Japan and China were selling tea in competition here, they might sell for less here than the market price of tea in the respective countries.

Mr. CANNON. Will the gentleman yield?

Mr. KITCHIN. I will yield to the gentleman from Illinois.

Mr. CANNON. We do not desire to destroy competition between Japan and China in tea. We do not produce either. This act would not apply.

Mr. KITCHIN. With the suggested amendment it could not apply.

Mr. GREEN of Iowa. I entirely agree with what the gentleman from North Carolina has said, and I am sure it was not the intention of the committee to apply this language contained in the first paragraph, except where the article was made in substantial quantities in this country. My understanding is that the gentleman has an amendment to propose in that connection.

Mr. KITCHIN. I have an amendment which will carry out exactly what the committee intended.

Mr. GREEN of Iowa. Where does the gentleman propose to offer it?

Mr. KITCHIN. I will offer it on page 5, at the end of and as a part of section 9, something like this:

This section shall not apply to any article the like of which is not produced in substantial quantities in the United States, the same to be determined, ascertained, and promulgated by the Secretary of the Treasury.

Mr. GREEN of Iowa. I will say to the gentleman I do not think there will be any objection to an amendment of that kind being inserted somewhere in the bill, but I would like to have the gentleman consider for a moment as to whether it might not be better to insert it in paragraph 1, in the eighth line, after the words "United States"? Section 9 refers back to section 1 for the articles on which the duty is to be laid, and there are two provisions in section 1, or two classes, or two classes made one, and next, the kind identical or comparable with a class or kind made or produced in the United States, or of a kind sold in competition with articles made or produced in the United States in substantial quantities, or something of that kind.

Mr. KITCHIN. I would remind the gentleman that section 9 is the substantial effective section of the bill. It is the section that really levies the additional or special duty. I believe it would be better and clearer to add the amendment to that section. I believe with that amendment in every Democrat here can support this measure. It is certainly in keeping with the Democratic position with respect to antidumping propositions. [Applause.]

Mr. YOUNG of North Dakota. Mr. Chairman, the chairman of the committee left the remainder of the time at my disposal, and I would like to be recognized.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. YOUNG of North Dakota. Mr. Chairman, this bill does not propose, as everybody understands—

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. The gentleman had eight minutes and yielded seven of it to the gentleman from Idaho [Mr. FRENCH]. I do not see how he has five minutes left.

The CHAIRMAN. The clerk who keeps the tally at the desk as to time extended informs the Chair that a mistake was made in announcing the time, and that the gentleman from Michigan had five minutes instead of one.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

*Be it enacted, etc.,* That the "special duty" provided for in this act shall be levied upon all articles imported into the United States of a class or kind identical or comparable with a class or kind made or produced in the United States, or of a kind sold in competition with articles made or produced in the United States, to be ascertained, determined, and promulgated by the Secretary of the Treasury.

Mr. GREEN of Iowa. Mr. Chairman, I think that this bill is on the whole very well drawn, although it may be possible that, as the gentleman from Tennessee [Mr. HULL] stated, it is somewhat strong in some of its provisions and may need to be modified as suggested by the gentleman from North Carolina [Mr. KITCHIN]. In fact, I am entirely in accord with his amendment, which would simply express the idea that the committee had. Now, for the information of gentlemen upon the floor who have not had an opportunity to carefully study the bill, I would say that section 9, which prescribes the duty to be laid and which embraces the fundamental principles of the bill, refers back to section 1, which has just been read by the Clerk. Gentlemen will understand that the special duty which is to be imposed by this bill applies whether there is a duty now on the article or not, provided it comes under the definition of section 1, which we have just read.

Even if the article be one that comes in free of duty now, the special duty will be imposed if the article imported is sold in this country at less than the price, the fair market value in the home market, and comes in competition with American goods.

This is, I think, as it should be, and I think it is quite clear, as the gentleman from North Carolina stated, that the present antidumping provisions contained in the Underwood bill can not be enforced. If this bill were not passed, we would be at the mercy of a country like Germany, and possibly a country like France, which have accumulated a large stock of certain goods which they were unable to sell during the war and which they now desire to get rid of at any price. If they can not sell them at one price, they will doubtless sell at another. Of course, this is particularly applicable in the case of dyes.

There was some discussion raised in the committee over the use of the word "comparable," which is found in section 5, and it was thought possible that it conferred too extensive powers in the direction of excluding goods which might be comparable with those produced in this country. I think that, taken in connection with the last clause of the first section, which provides that these goods shall be ascertained, determined, and promulgated by the Secretary of the Treasury, there is no danger that this provision will be used in such a way as to work an injury to the country when it is simply proposed to sell some article not manufactured in this country for a low price. It is obviously to the interest of this country, where an article does not enter into competition with the things made here, that we should obtain it as cheaply as possible. It is not the intention, therefore, that this bill should operate as against tea, coffee, raw silk, and a long list of other articles which I might mention which are used by our manufacturers.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to proceed for two minutes further.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GREEN of Iowa. It is, of course, highly important that our manufacturers should receive their raw material, not furnished by this country or not products of this country, at as cheap a rate as possible. This bill will not in the least interfere with that.

The substance of the bill, I may say in closing, is embraced in section 9, which provides that where an article produced in foreign countries is sold in this country at a price less than the fair market value at home an additional duty shall be paid, amounting to the difference between the price at which it is sold and the fair market value at home.

Now, there was in the original bill a provision that where this addition was levied no other penalty should be prescribed. That part has been stricken out of the bill, it being thought by the committee that this provision, even when taken with the other provisions in the tariff act as it now stands, would not be too severe to prevent dumping, the effect of which, of course, would be to drive our producers out of the market, whether they were manufacturers or producers of other articles.

The purpose of this bill is the same as the present law, but the present law can not be enforced. It may seem too drastic, but we have found the present statute entirely insufficient. It will be observed, as we proceed with the bill, that provision is made whereby an examination may be made, if necessary, of the books of a foreign manufacturer, and in case permission is refused to exclude his goods from our markets. This provision is new but absolutely necessary if we would control "dumping." In the absence of such a provision it would often be impossible to ascertain whether the foreigner was selling below cost.

Mr. TINKHAM. Mr. Chairman, I move to strike out the last word.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] may proceed for 10 minutes. He wanted to talk on the subject of sugar, and was allowed time under general debate, but he was crowded out by the yielding of more time to other gentlemen. I hope he will be given unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] asks unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] may be allowed to proceed for 10 minutes out of order. Is there objection?

There was no objection.

Mr. TINKHAM. Mr. Chairman, the honorable Representative from South Carolina [Mr. BYRNES] on Friday last had printed on page 213 of the CONGRESSIONAL RECORD a statement purported to be a copy of an authorized statement recently issued by the Attorney General in relation to sugar. I desire to read a part of that statement, the essential part, so far as Congress is concerned, and the part I challenge:

A conference has been held this morning between representatives of the Sugar Equalization Board and the Department of Justice, in which the sugar situation was reviewed. The Department of Justice has no



power nor facilities with which to control the purchase or distribution of sugar. The only governmental body having this power is the Sugar Equalization Board, and its control terminates on December 31. The Congress, although requested to do so, has failed to extend the life of the board.

This statement is not only confusing and misleading but it seems to me that it is unqualifiedly false, much as I regret to have to use these harsh characterizations. To prove my assertion I have in my hands a copy of the charter of the United States Sugar Equalization Board, and the sixth section of the charter says:

This corporation is not to have perpetual existence. Its existence is to commence on the 15th day of July, 1918, and is to cease on the 14th day of July, 1923, unless sooner dissolved in the manner provided by law.

The words "in the manner provided by law" means the manner provided by the Delaware corporation laws, as the corporation is a Delaware corporation. So that the Sugar Equalization Board, in accordance with its terms of incorporation, has existence until July 14, 1923, and Congress had no need to extend the life of the board, or could it do so without reincorporating it or superseding the laws of Delaware. Yet the Attorney General says that Congress, although requested to do so, has failed to extend the life of the board.

Mr. Chairman, I desire to offer the charter of incorporation as a part of my remarks.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to insert in the RECORD as a part of his remarks the matter indicated. Is there objection?

Mr. CONNALLY. Reserving the right to object, will the gentleman from Massachusetts yield for a question?

Mr. TINKHAM. I will.

Mr. CONNALLY. In connection with the charter, which the gentleman proposes to incorporate in the RECORD, will he be kind enough to cite the appropriation bill which continues the appropriation for the Sugar Equalization Board over December 31?

Mr. TINKHAM. There has never been an appropriation for the Sugar Equalization Board. There never has been, and it has never been contemplated or necessary. The President gave from his \$100,000,000 war emergency fund \$5,000,000 to the board for them to do business with, and they have made a profit in excess of \$30,000,000 by their transactions.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Following is the matter referred to:

**CERTIFICATE OF INCORPORATION OF UNITED STATES SUGAR EQUALIZATION BOARD (INC.).**

1. The name of this corporation is United States Sugar Equalization Board (Inc.).

Second. The location of its principal office in the State of Delaware is in the city of Wilmington, county of New Castle. The name of the resident agent therein and in charge thereof is the Delaware Charter Co. The street and number of said principal office and the address by street and number of said resident agent is 900-904 Market Street.

Third. The objects and purposes for which and for any of which this corporation is formed are to do any or all of the things herein set forth to the same extent as natural persons might or could do, viz: To purchase, or otherwise acquire, manufacture, sell or otherwise dispose of, store, handle, and otherwise deal in and with raw and refined cane and beet sugar, sirups, molasses, and other commodities, and to do all acts and things necessary, expedient or incidental to the efficient conduct of said business within or without the State of Delaware.

To exercise all powers which may be delegated to it by the President of the United States.

The foregoing clauses shall be construed both as objects and powers; and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this corporation.

In general, to have and to exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to.

Fourth. The total authorized capital stock of this corporation is \$5,000,000, divided into 50,000 shares of \$100 each.

The amount of capital stock with which this corporation will commence business is the sum of \$1,000, being 10 shares of 100 each.

Fifth. The names and places of residence of each of the original subscribers to the capital stock and the number of shares subscribed for by each are as follows:

Name.	Residence.	Number of shares.
George M. Rolph.....	San Francisco, Calif.....	4
Theodore F. Whitmarsh.....	New York, N. Y.....	3
George A. Zabarskie.....	do.....	3

Sixth. This corporation is not to have perpetual existence. Its existence is to commence on the 15th day of July, 1918, and is to cease on the 14th day of July, 1923, unless it is sooner dissolved in the manner provided by law.

Seventh. The property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

Eighth. The directors of this corporation shall hold office for one year from the date of their election and until their successors are

elected and qualified, unless sooner removed. The holder or holders of two-thirds of the outstanding capital stock may call a special meeting of stockholders at any time, upon mailing notice to the other stockholders of the time and place of said meeting, three days prior to said appointed time, which notice may be waived by unanimous consent, or by the presence of all stockholders at said special meeting; and the stockholders present may by a majority vote remove any director or directors from office and elect a successor or successors to hold office for the remainder of the unexpired term.

In furtherance, and not in limitation, of the powers conferred by statute, the board of directors are expressly authorized to make, alter, amend, and rescind the by-laws of this corporation, and to authorize and cause to be executed mortgages and liens upon the personal property of this corporation, and to authorize the borrowing of such sums of money from time to time, and the making and execution of such notes, mortgages, pledges, and liens on the personal property of this corporation, as they may deem advisable.

This corporation reserves the right to amend, alter, change, or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

We, the undersigned, being each of the original subscribers to the capital stock hereinbefore named for the purpose of forming a corporation to do business both within and without the State of Delaware, and in pursuance of any act of the Legislature of the State of Delaware entitled "An act providing a general corporation law" (approved Mar. 10, 1889), and the acts amendatory thereof and supplemental thereto, do make and file this certificate, hereby declaring and certifying that the facts herein stated are true, and do respectively agree to take the number of shares of stock hereinbefore set forth, and accordingly have hereunto set our hands and seals this — day of July, 1918.

\_\_\_\_\_, [SEAL]  
\_\_\_\_\_, [SEAL]  
\_\_\_\_\_, [SEAL]

In presence of—

UNITED STATES OF AMERICA.

District of Columbia, ss:

Be it remembered that this —, 1918, personally came before me, a notary public for the District of Columbia, parties to the foregoing certificate of incorporation, known to me personally to be such, and severally acknowledge the said certificate to be the act and deed of the signers, respectively, and that the facts therein stated are truly set forth.

Given under my hand and seal of office the day and year aforesaid.  
[SEAL.]

Notary Public, District of Columbia.

Mr. MARTIN. Will the gentleman yield?

Mr. TINKHAM. Certainly.

Mr. MARTIN. The sole stockholder of this corporation is the President of the United States?

Mr. TINKHAM. Yes. He not only is the sole stockholder, but directly controlled its entire policy, as the following authentic evidence will show. Last October a subcommittee of the Committee on Agriculture of the Senate held a hearing and during the hearing a copy of the following letter was offered directed to the President of the United States by the Sugar Equalization Board. This may be found upon page 33 of the minutes of the hearing, and is as follows:

AUGUST 14, 1919.

DEAR MR. PRESIDENT: The Sugar Equalization Board is in receipt of a letter under date of July 29 from the Cuban commissioners, tendering to the American Government the Cuban sugar crop for 1920.

We deem it advisable that the Cuban commission should be advised at an early date as to whether our Government proposes to consider this tender. The authority of this board does not extend beyond the purchase and distribution of this year's sugar crop, and we venture to suggest the control of sugar for the coming year must now be determined.

I am inclosing herewith a memorandum setting forth the sugar situation as it exists and such information as we possess concerning the prospects for the coming year and other points for your consideration in advising this board as to the policy you desire to be pursued.

The officers of the board are prepared to furnish you with any further information that you may desire.

UNITED STATES SUGAR EQUALIZATION BOARD (INC.),  
—, President.

The PRESIDENT OF THE UNITED STATES,  
The White House, Washington, D. C.

On page 37 there will be found a copy of the following communication, which was a letter urging the President again to authorize the purchase of the 1920 Cuban sugar crop:

SEPTEMBER 20, 1919.

The PRESIDENT OF THE UNITED STATES,  
Washington, D. C.

MY DEAR MR. PRESIDENT: Referring now to my letter to you of the 14th day of August inclosing the report from the board of directors of the United States Sugar Equalization Board (Inc.), and also referring to you a letter from the representatives of the Cuban Government and producers of sugar, in reference to the Cuban crop of raw sugars for the year 1919-20, I desire to respectfully bring to your attention the fact that the time is fast approaching, if it has not arrived, when we will be unable to control the Cuban crop of sugar for the year 1919-20 unless action is taken at once.

I am informed that a considerable tonnage of Cuban sugars of the crop of 1919-20 has already been sold, and it seems entirely probable that the representatives of the Cuban sugar will withdraw their proposition unless some action is taken at once.

May I, therefore, respectfully ask an early determination of the policy which the United States Sugar Equalization Board (Inc.) is to pursue with reference to the matter referred to in my letter of the 14th day of August? I know the pressure you are under, and nothing but imperative necessity could make me add this matter to your burdens.

Very respectfully,

GEORGE A. ZABRSKIE, President.

On page 55 there is a copy of the memorandum submitted to the President by the board at the time of the first communication, and is as follows:

Conditions are so abnormal and the prospect of securing a regular supply of sugar at a reasonable price for the people of the United States for the year 1920 is so uncertain that the equalization board concludes, from a commercial point of view, that its duty requires it to suggest to the President that, in reply to the communication from the representatives of Cuban producers, negotiations be entered into for the purpose of securing the sugar required for the necessities of the people of the United States for the year 1920 from Cuba under somewhat the same arrangements as the equalization board was able to make with the Cuban commissioners and producers and the refiners in the United States for the year ending December 31, 1919. This suggestion is made entirely from our consideration of the sugar situation from the standpoint of assuring the American people a regular supply at a reasonable price and, of course, is subject to the general policy of the Government as to the advisability of continuing control and regulation of food commodities.

Before making any comment to prove my assertions made at the beginning of my remarks, I want to read to you certain questions and answers found on page 47 of the same hearing.

Mr. MARTIN. Will the gentleman yield?

Mr. TINKHAM. Yes; I will yield to the honorable Representative from Louisiana.

Mr. MARTIN. Will the gentleman be kind enough to state at this point, in justice to the President, that Prof. Taussig, also with the Sugar Equalization Board, filed a minority report?

Mr. TINKHAM. There are seven directors of the equalization board, and Prof. Taussig was one, and he dissented from the proposal to purchase the 1920 Cuban sugar crop.

Mr. MARTIN. That is true.

Mr. TINKHAM. Turning to page 47 of the minutes of the subcommittee hearing, I read the following:

Senator McNARY. Judge, on that point, what I want to develop is this: The President suggested to this Sugar Equalization Board that they should acquire this crop?

Mr. GLASGOW. Yes.

Senator McNARY. Did you have the legal authority to acquire the crop without any authorization from the President?

Mr. GLASGOW. I would not like to answer that. I can say that it would not have been done without that.

Senator McNARY. And would you have the authority to acquire that without action of the President?

Mr. GLASGOW. It would not be done, because, in the first place, the President is the entire stockholder of this concern.

I now want to return to the statement of the Attorney General and then summarize. He said that—

The Department of Justice has neither the power nor the facilities with which to control the purchase or distribution of sugar. The only governmental body having this power is the Sugar Equalization Board, and its control terminates on December 31. The Congress, although requested to do so, has failed to extend the life of the board.

Its control of the 1919 Cuban crop terminated December 31, but it had the power to obtain the 1920 Cuban crop with the assent of the President, as is indicated by the testimony which I have read. Therefore the statement of the Attorney General is not only misleading but false—false, because the Sugar Equalization Board had the right with the assent of the President to purchase, and misleading because the country from his statement would draw the conclusion that Congress was responsible for the situation that exists and not the President.

Had the President done as requested in the two communications received by him from the equalization board, then the price of sugar would have been stabilized and largely controlled in price, as the price of the Cuban crop sets the basic price for all sugar in the United States. There was all the law and facilities necessary to do this thing.

Mr. Chairman, upon the evidence that I have submitted, I feel justified in making my opening statement that the statement of the Attorney General in the particulars I have mentioned was misleading, confusing, and false.

The responsibility for not purchasing the 1920 Cuban crop, thus stabilizing and reducing the price of sugar, is clearly upon the President and not upon the Congress, as the Attorney General would lead the country to believe.

I want now to draw statistically a few conclusions which result from the President not doing as requested by the Sugar Equalization Board. When the first letter was sent to the President the average price of Cuban sugar was 6½ cents per pound.

The price of the same sugar now is about 8½ cents per pound, and is constantly rising. The American consumption of sugar is about 4,000,000 tons per annum, and the difference of 2 cents per pound amounts to \$180,000,000, which must be paid by the American people over what might have been paid. As the price of Cuban sugar will undoubtedly increase perhaps from 8½ to 10½ or 12½ cents per pound, there will be an additional cost to the American people over what that cost might have been, if the advice of the equalization board had

been followed by the President, of \$360,000,000 or \$540,000,000 for the next year.

Mr. MACGREGOR. Mr. Chairman, I just came in. May I ask if the gentleman has quoted the letter from Mr. Zabriskie to the President?

Mr. TINKHAM. I have read two letters from Mr. Zabriskie to the President, one dated August 14 and the other September 20.

Mr. MARTIN. I hope the gentleman will put in his remarks the memorandum submitted by Prof. Taussig to the President.

Mr. TINKHAM. I am pleased to submit that memorandum at the suggestion of the honorable Representative from Louisiana, but it in no way changes the responsibility of the President for not authorizing the purchase of the 1920 Cuban sugar crop in accordance with the recommendations of the Sugar Equalization Board or removes from him personal liability for the present situation in the American sugar market, both as to the price and scarcity of this necessary of life, and the responsibility of what the American sugar market will be for the next year rests alone upon him for his inaction.

Memorandum of Dr. F. W. Taussig submitted to the President:

#### MEMORANDUM.

I regret not to be able to reach the same conclusion as the other members of the Sugar Equalization Board. I believe that no negotiation should be entered in with the Cuban producers, and that the regulation and restriction of sugar prices should cease with the close of the present arrangement, December 31.

It is true that the evidence now available points to a shortage of sugar in 1920 and to a possibility of prices in that year as high as those of 1919, or even higher. But no certain conclusions can be reached about the future. Prices of sugar will be affected not only by the incoming supplies but by the general political and monetary conditions of the whole world. The general level of prices in the United States and in other countries may be lower than it is now. Consumption may be reduced by changes in general business conditions or by restrictive measures in importing countries. The present recommendation of the board is that the United States (through the board) should repeat a huge commercial venture, in the hope of protecting consumers and of incurring no loss, but with the clear possibility of having to assume a loss. The operation would involve a guaranty by the Government of extremely high profits to the Cuban sugar planters, and also a virtual guaranty of similar profits to our beet-sugar producers as well as to the planters of Louisiana, Hawaii, and Porto Rico. It would necessarily lead to contracts with the sugar refiners which would guarantee good profits to them also. No doubt in the absence of Government regulation all these producers might make profits higher still; but prediction as to the outcome one way or the other can not be made with any confidence. Business of this kind may be undertaken by the Government under stress of war, but should cease now that we are at peace.

Moreover, the regulation of the price of sugar can not, in my judgment, stand alone. The whole relation of government to industry in time of peace is involved. If the price of sugar is to be specifically controlled, so should that of bread, of meat, of clothing. In the main, we must look for a remedy to the natural development of production and to the return of the entire world to normal financial and economical conditions.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

SEC. 5. That the words "the value to countries other than the United States" wherever used in this act mean the value plus the cost, when not included in such value, of the package and the packing charges at which any merchandise or similar merchandise comparable therewith in value is freely offered for sale for exportation to countries other than the United States in the principal markets or markets of the country of exportation in the ordinary course of trade and in the usual or fair average wholesale quantities that the same kind or class provided for in this act is sold in the United States: *Provided*, That any import duties re-acted or not paid by reason of the exportation of such merchandise from the country of production or sale to the country other than the United States shall be added to export price.

Mr. EVANS of Nevada. Mr. Chairman, I move to strike out the last word.

The word "conservation" has a wonderful sound, but when stripped of fancy and exposed for definition has more of applied than actual meaning.

"Conservation" should give way to the word "development." The land or mine has only potential value, requiring work, hard work, upon the part of the pioneer to make of actual value. The pioneer is there, willing and earnest to cultivate the soil. Conservation prevents the achievement, conserving the land, the opportunity, and the necessary work for some future man or condition to arise, while the pioneer is ready now.

Conservation means suspicion of the only man competent to reclaim the land. Encourage the man whose ambition is building the West. Repeal laws obstructive to his progress; his successor may be unwilling and unfitted to successfully carry on the all-important work. Give the pioneer your confidence and recognition.

The man who lives on beans, bacon, and canned goods on a mountainous desert, where a goat would starve, giving his lifetime to develop barren areas where an eastern man would die of homesickness, should be encouraged. You hear doubt from men who are more familiar with cut glass and marble bathtubs, whose greatest hardship is the nerve-racking experience of riding a street car, seeking the "bubble reputation" as protectors of



eminent domain from looters, existent only in the overanxious imagination of men who know exactly nothing of the West and western needs. Conservation means keeping as it is, which would be a state of utter worthlessness to all humankind. Development means bringing into useful purpose and production large areas of desert. You must encourage development by granting title when a reasonable amount of annual work is expended upon vacant Government land. There is no way to make that soil produce except by privation and toil. The people of Nevada are afflicted to the limit with bureau regulations, scores of Government inspectors, collectors, and dictators from Washington traveling through our State imposing impractical methods at our expense, while Nevada seeks only the right to conduct her own affairs, with your approval of the integrity of her legislature to enact laws, encouraging development of worthless lands, and so they will remain worthless, except for one thing—work.

You gentlemen mean to be fair. It is only your lack of information which causes mistrust against the State. Your most progressive laws come from the West. Decide upon a different western policy, instead of creating and trusting bureaus, place your faith in men of the West whose interest and honor are at stake, desiring to best build their beloved section of our country. Their governor and legislators deserve your complete trust.

Some months ago this Congress passed a measure the object of which was to encourage development of water upon arid Nevada lands. The legislation was experimental, but has proven a great stimulus to entries upon barren lands; much money will be expended to demonstrate an underground flow of water. That legislation aids progress in Nevada, reflecting credit upon your judgment.

Let us draw a homely example of the man whom you all know, who looked forward to the twenty-first year of his life as the period when he would be his own boss and could act without parental interference, always in his mind the idea of doing right with others. A boy of 21 is entitled to live his own life; the need is recognition of his maturity. Nevada has been 21 years old since 1885, eager for her opportunity. Held back by laws made by men who never saw the State; laws made by other men who rode across that which was to them, from a Pullman car, a forbidding desert, coming back to their eastern homes of culture convinced that what they saw must remain as it is.

Conservation is defined as "the act of conserving" or "keeping as it is," therefore your law of conservation means prevention of work necessary to reclaim the desert.

Nevada, being of age, demands that she be given the state of depending upon herself. Knowing as he does the peculiar needs of our desert country, the pioneer is the logical expert upon whom you must rely for light upon the best plan of operation. Remove collectors, experts, and instructors; depend upon the integrity of our citizens to build a commonwealth of which all will be proud, build upon the foundation of industry and reason.

Nevada, as a State, was born during the agony of civil war, when her production of gold and silver bullion as a horn of plenty poured at Lincoln's feet that all men may be free. If wrong to dominate an individual, it is wholesale wrong to refuse full freedom to a State whose citizens demand recognition of their indomitable Americanism and self-reliance.

The Clerk read as follows:

SEC. 6. That the term "cost of production" wherever used in this act means the cost of labor and material of the merchandise exported to the United States at the time of production plus the actual general expenses and a profit which is usually and ordinarily added to the cost of labor, material, packing charges, and general expenses by manufacturers in the country of production of merchandise similar in material and production or manufacture.

Mr. WALSH. I move to strike out the last word. I should like to ask the gentleman from Michigan what the term "general expenses" covers in line 11 of this section? Has that been defined in any previous legislation?

Mr. FORDNEY. There was a provision in the bill that was stricken out by the committee to provide salaries for men employed by the Secretary of the Treasury for the investigation of importations at lower prices than those provided for. It was thought wise by the committee to strike that out, because it fixed salaries and per diem expenses, and to leave it to the Secretary of the Treasury to fix those items under the general law. These general expenses might cover a great many things, clerks and office work, and so forth.

Mr. WALSH. Under the phraseology in section 6 salaries can be computed as general expenses, can they not?

Mr. FORDNEY. Such salaries as under existing law the Secretary of the Treasury is permitted to pay.

Mr. TREADWAY. Is not the gentleman from Michigan referring to the general expenses as a part of the expense of the

Government, whereas the inquiry of the gentleman from Massachusetts has to do with the expenses of the manufacturer?

Mr. FORDNEY. Oh, I did not understand that. That is an entirely different matter.

Mr. WALSH. What does the term "general expenses by the manufacturer" cover?

Mr. FORDNEY. First of all, the manner of determining the cost of production would be the labor cost, the general expenses, overhead, taxes, depreciation, packing, packing boxes, and all other costs that go to make up the total cost of the article when ready for export. That must be determined by finding the actual cost of the article, where the price can not be obtained, in the country where it is made. We must get the cost of production that would cover any expenses that went in to make up the total cost of production.

Mr. WALSH (reading from the bill)—

plus the actual general expenses and a profit which is usually and ordinarily added to the cost of labor, material, packing charges, and general expenses by manufacturers in the country of production of merchandise similar in material and production or manufacture.

That would include depreciation, salary, overhead expenses, taxes, insurance—

Mr. FORDNEY. Prorated; yes.

The Clerk read as follows:

SEC. 9. That whenever merchandise, whether dutiable or free, is exported to the United States of the class or kind provided for in this act, and the sales price is less than the foreign home value, or in the absence of such value is less than the value to countries other than the United States, or in the absence of such value is less than the cost of production, there shall be levied and collected, in addition to the duties on imported merchandise prescribed by law, a special duty in an amount equal to the difference between the sales price and the foreign home value or the value to countries other than the United States or the cost of production, as the case may be.

Mr. KITCHIN. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 5, line 23, at the end of the line add the following: "This section shall not apply to any article imported the like of which is not produced in substantial quantities in the United States, the same to be ascertained, determined, and promulgated by the Secretary of the Treasury."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 17. That if any person importing merchandise into the United States shall fail, at the request of the Secretary of the Treasury, or an appraiser, or person acting as such, or a collector of customs, as the case may be, to secure permission for a duly accredited officer of the United States to inspect any or all books, records, accounts, documents, or other papers pertaining to the value or classification of such merchandise, of the person selling, shipping, or consigning the merchandise to the United States, then the Secretary of the Treasury shall, while such failure or refusal continues, prohibit future importations into the United States of merchandise from such seller, shipper, or consignor by any importer.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman if the authority conferred by the bill would authorize an agent of the Treasury Department to go into a factory or shop of a manufacturer in a foreign country and investigate the books.

Mr. FORDNEY. The bill gives authority to the Secretary of the Treasury to make such a request by the proper representative. If the foreigner refuses it is obligatory on the Secretary to forbid the importation of those goods until such consent is given.

Mr. BANKHEAD. Does not the gentleman assume that other countries might adopt similar measures?

Mr. FORDNEY. They do it now.

Mr. BANKHEAD. Does not the gentleman think that American business men and manufacturers would resent the intrusion and inspection of their business affairs by an agent of a foreign government?

Mr. FORDNEY. No; they submit to it. If I had the time, I could give illustrations where Canada has sent agents to this country and demanded the right to examine the manufacturer's books, and on failure to permit that examination the goods which were shipped to Canada were ordered out of Canada.

Mr. BANKHEAD. I rather anticipate if that situation arises you will hear considerable complaint from American business men.

Mr. FORDNEY. No; I think the practice carried on by the Government in Canada to-day in that respect against our people who wish to dump on Canada goods at a less price than they are sold for here has been tested in many instances and works satisfactorily and is accepted by our people.

Mr. BANKHEAD. Mr. Chairman, I withdraw the pro forma amendment.

The Clerk read as follows:

Sec. 18. That if any person engaged in the importation of merchandise into the United States or engaged in dealing in such imported merchandise shall fail or refuse to submit for inspection of a duly accredited investigating officer of the United States upon request so to do from the collector or the appraiser, or the person acting as such, or any other officer of the United States customs duly authorized by law, any or all of his books or records, accounts, documents, or other papers pertaining to the value or classification of any such imported merchandise, then the Secretary of the Treasury, while such failure or refusal continues, shall prohibit the future importations of any merchandise into the United States by or for the persons so refusing.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman how many junketing trips will this afford agents to foreign countries?

Mr. FORDNEY. Just as many as the foreigner attempts to impose upon our people the sale of goods at a less price than he sells them at home for the purpose of destroying the industry in the United States. Just that many times we can look for a representative from our Government to go abroad.

Mr. BLANTON. There will be hundreds of merchants shipping goods to this country.

Mr. FORDNEY. Yes.

Mr. BLANTON. Will our Secretary wait until he has reason to believe that they are imposing on this country, or will he annually send men abroad to examine the books and accounts of these manufacturers?

Mr. FORDNEY. No; our board of appraisers are looked upon as the only authority to notify the Secretary of the Treasury that such action has been taken. Upon a proper showing the Secretary of the Treasury will send an agent abroad to examine the books and hold up the goods until the information is obtained.

Mr. BLANTON. The chairman does know that with very little excuse sometimes representatives are sent across the water to look after this or that on behalf of this Government.

Mr. FORDNEY. Oh, yes.

Mr. BLANTON. For instance, I might call attention to the fact that our Employment Service here spent \$6,000 sending two men across apparently to look after the reemployment of our men even before they got out of the Army. Such things appear to me to be ridiculous.

Mr. FORDNEY. They do to me also. I agree with the gentleman.

Mr. BLANTON. Should there not be some limitation, at least, placed upon these annual, semiannual, or monthly junketing trips across the water?

Mr. FORDNEY. The bill does place a limitation by providing that information must be furnished to the Secretary of the Treasury before such investigation is made through his office by the Board of Appraisers.

Mr. BLANTON. The Secretary of the Treasury, I presume, would send fewer than any other department.

Mr. FORDNEY. I assume that he would not send anybody for the purpose of a junketing trip.

Mr. BLANTON. The gentleman can not deny that there have been trips across the water that smacked of junketing.

Mr. FORDNEY. Not by men sent by the Secretary of the Treasury. The gentleman may apply that to the Secretary of Labor.

Mr. BLANTON. I could refer to instances closer home.

Mr. KITCHIN. Perhaps the gentleman refers to the Shipping Board investigation.

Mr. BLANTON. And the investigation of the expenditures in the War Department.

The Clerk concluded the reading of the bill.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise and report the bill with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan, who moves that the committee do now rise and report the bill with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The question was taken.

Mr. BLANTON. Mr. Chairman, on that motion I demand a division.

The committee divided; and there were—ayes 75, noes 0.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MANN of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10918, the antidumping bill, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. FORDNEY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FORDNEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

#### LEAVES OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. MOORE of Virginia, indefinitely, on account of sickness.

To Mr. FLOOD, indefinitely, on account of sickness.

To Mr. WATSON of Virginia, indefinitely, on account of sickness.

To Mr. THOMPSON, for the month of December (at the request of Mr. MURPHY), on account of serious illness in his family.

#### EXTENSION OF REMARKS.

By unanimous consent, leave was granted to extend their remarks in the RECORD on the bill to Mr. FORDNEY, Mr. TREADWAY, Mr. HERSEY, and Mr. GREEN of Iowa.

Mr. SMITH of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a brief letter addressed to Dr. Couden, our esteemed Chaplain, complimentary of his distinguished services in the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none.

The following is the letter referred to:

UNITED STATES NAVAL STATION,  
OFFICE OF THE CHAPLAIN,  
Tutuila, Samoa, November 17, 1919.

REV. HENRY N. COUDEN, D. D.,

Chaplain to the House of Representatives, Washington, D. C.

MY DEAR SIR: Recently I saw a copy of the prayers offered by you before the Sixty-second Congress. I was greatly impressed by them and am desirous of having a copy for my library.

I am informed that they can not be purchased through the superintendent of documents and am therefore writing you if by some means you may be able to forward a copy to me. Sincerely thanking you for your kindness and appreciating any effort in my behalf, I am,

Very faithfully, yours,

HERBERT DUMSTREY,  
Lieutenant (junior grade), Chaplain Corps,  
United States Navy.

#### SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2377. An act to amend section 1 of the act approved July 17, 1916, known as the Federal farm-loan act, so as to provide for the payment of the expenses of the Federal Farm Loan Board and employees by the Federal land banks and joint-stock land banks; to the Committee on Banking and Currency.

S. 806. An act conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in claims of the Iowa Tribe of Indians against the United States; to the Committee on Indian Affairs.

#### ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 17 minutes p. m.) the House adjourned until to-morrow, Wednesday, December 10, 1919, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting statement of the public-health activities of the Public Health Service (H. Doc. No. 486); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Assistant Secretary of Labor, transmitting detailed statement of the number of documents received and the number distributed by the Department of Labor during the fiscal year 1919 (H. Doc. No. 487); to the Committee on Expenditures in the Department of Labor and ordered to be printed.

3. A letter from the Acting Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the Department of Justice to provide salary increases for the fiscal year 1921 (H. Doc. No. 488); to the Committee on Appropriations and ordered to be printed.



4. A letter from the Secretary of the Treasury, transmitting statements showing average number of employees of the department and field service receiving increased compensation at the rate of \$240 per annum (H. Doc. No. 489); to the Committee on Appropriations and ordered to be printed.

5. A letter from the Acting Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the Engineer Department of the Army for prevention of deposits, harbor of New York, fiscal year 1921 (H. Doc. No. 490); to the Committee on Appropriations and ordered to be printed.

6. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the Civil Service Commission for additional employees during the remainder of the fiscal year 1920 (H. Doc. No. 491); to the Committee on Appropriations and ordered to be printed.

7. A letter from the Acting Secretary of the Treasury, transmitting supplemental estimates of appropriation required by the Employees' Compensation Commission for contingent expenses and employees' compensation fund for the fiscal year 1920 (H. Doc. No. 492); to the Committee on Appropriations and ordered to be printed.

8. A letter from the Secretary of the Treasury, transmitting supplemental estimate of appropriation required by the Coast and Geodetic Survey for the fiscal year 1920 (H. Doc. No. 493); to the Committee on Appropriations.

9. A letter from the Postmaster General, transmitting report relating to the results of experiments in the operation of the motor vehicle truck service and country motor express routes (H. Doc. No. 494); to the Committee on the Post Office and Post Roads and ordered to be printed.

10. A letter from the Secretary of the Interior, transmitting a report of the disbursements for the fiscal year ending June 30, 1920, made in the States and Territories under the provisions of the acts of Congress approved July 2, 1862, and March 4, 1907 (H. Doc. No. 495); to the Committee on Agriculture and ordered to be printed.

11. A letter from the Acting Secretary of War, transmitting a letter submitting statements of the cost of guns and other articles manufactured by the Government at the several arsenals during the fiscal year 1919 (H. Doc. No. 496); to the Committee on Expenditures in the War Department and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. VOLSTEAD, from the Committee on the Judiciary, to which was referred the bill (H. R. 6025) to amend the act entitled "An act to establish a code of law for the District of Columbia, approved March 3, 1901," and the acts amendatory thereof and supplemental thereto, reported the same without amendment, accompanied by a report (No. 481), which said bill and report were referred to the House Calendar.

Mr. ESCH, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 10402) authorizing the Secretary of War to grant permission to the municipal authorities of Little Chute, Wis., to construct, maintain, and operate sewers on certain Government property and under the United States canal at Little Chute, Wis., reported the same without amendment, accompanied by a report (No. 482), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MONTAGUE, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 10701) granting the consent of Congress to the Whiteville Lumber Co., Goldsboro, N. C., to construct a bridge across the Waccamaw River, in Brunswick County, N. C., reported the same with amendments, accompanied by a report (No. 483), which said bill and report were referred to the House Calendar.

Mr. ANTHONY, from the Committee on Military Affairs, to which was referred the bill (H. R. 8819) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, reported the same with amendments, accompanied by a report (No. 484), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HUSTED, from the Committee on the Judiciary, to which was referred the bill (S. 2999) to amend section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported the same

with an amendment, accompanied by a report (No. 485), which said bill and report were referred to the House Calendar.

Mr. PLATT, from the Committee on Banking and Currency, to which was referred the bill (S. 3458) to make gold certificates of the United States payable to bearer on demand legal tender, reported the same without amendment, accompanied by a report (No. 486), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3510) granting an increase of pension to Lucinda Wilson; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11009) granting an increase of pension to George Wallace Paul; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 11010) to reclassify the salaries of employees above the clerical grades in post offices of the first and second class; to the Committee on the Post Office and Post Roads.

By Mr. LAMPERT: A bill (H. R. 11011) to provide for an examination and survey of Luco Creek, town of Fond du Lac, Wis., midway between the cities of Fond du Lac, Wis., and the village of Taycheedah, Wis.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 11012) to provide for an examination and survey of the south shore of Lake Butte des Morts, in the city of Oshkosh, Wis.; to the Committee on Rivers and Harbors.

By Mr. RANDALL of Wisconsin: A bill (H. R. 11013) to provide for the erection of an addition to the Federal building in the city of Kenosha, county of Kenosha, Wis.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11014) to provide for the purchase of a site and the erection of a new public building at Elkhorn, county of Walworth, State of Wisconsin; to the Committee on Public Buildings and Grounds.

By Mr. SABATH: A bill (H. R. 11015) to license and regulate cold-storage warehouses and to regulate the sale and distribution of cold-storage foods; to the Committee on Agriculture.

By Mr. MONDELL: A bill (H. R. 11016) authorizing the Secretary of War to donate to the Uinta County Memorial Association, Evanston, Wyo., one piece of artillery, or like trophy, captured or obtained from the enemy during or at the close of the war with Germany and Austria; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 11017) to provide employment for returned soldiers, to open up the unused lands and natural resources of the United States for the use of the returned soldiers and other citizens who may desire access to them, and to promote the general welfare of all the people of the United States, and to establish an executive department of the United States to be known as the department of land and natural resources; to the Committee on the Public Lands.

By Mr. DAVILA: A bill (H. R. 11018) to amend an act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. WOOD of Indiana: A bill (H. R. 11019) for the purchase of a site and the erection thereon of a public building at East Chicago, Ind.; to the Committee on Public Buildings and Grounds.

By Mr. GRIEST: A bill (H. R. 11020) to provide a 1-cent postage rate on local letters and reduce the rate of postage on first-class mail matter; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 11021) to extend the penny postage rate on local delivery first-class mail matter to post offices where the system of free delivery is established; to the Committee on the Post Office and Post Roads.

By Mr. MacGREGOR: A bill (H. R. 11022) for the relief of certain chief warrant and warrant officers of the United States Navy and Marine Corps who were called into active service during the war with Germany and promoted; to the Committee on Naval Affairs.

By Mr. COOPER: A bill (H. R. 11023) for the erection of a Federal building at Niles, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. HOWARD: A bill (H. R. 11024) to amend an act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913; to the Committee on Indian Affairs.

By Mr. CANDLER: A bill (H. R. 11025) to authorize the construction, maintenance, and operation of a bridge across the Tombigbee River near Iron Wood Bluff, in Itawamba County, Miss.; to the Committee on Interstate and Foreign Commerce.

By Mr. MANSFIELD: A bill (H. R. 11026) to provide for an examination and survey of that portion of Lavaca Bay, in Texas, extending from the present harbor basin at the city of Port Lavaca to the mouth of Lynns Bayou, with a view to securing a channel 7 feet deep and 100 feet wide, and then extending up said bayou a sufficient distance to secure a reasonably safe and adequate harbor and turning basin 7 feet deep and 250 feet wide; to the Committee on Rivers and Harbors.

By Mr. ZIHLMAN: Resolution (H. Res. 414) authorizing the chairman of the Committee on Expenditures in the Post Office Department to appoint a clerk for said committee; to the Committee on Accounts.

By Mr. ANTHONY: Resolution (H. Res. 415) providing for the consideration of H. R. 8819; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 11027) granting a pension to George J. Bock; to the Committee on Pensions.

Also, a bill (H. R. 11028) granting an increase of pension to Daniel Felton; to the Committee on Invalid Pensions.

By Mr. BROOKS of Pennsylvania: A bill (H. R. 11029) granting an increase of pension to Henry C. Brant; to the Committee on Pensions.

By Mr. CANTRILL: A bill (H. R. 11030) for the relief of Woodford Bank & Trust Co., of Versailles, Ky.; to the Committee on Claims.

By Mr. EMERSON: A bill (H. R. 11031) for the relief of Mary and Elmer Torok; to the Committee on Claims.

Also, a bill (H. R. 11032) for the relief of Perry J. Lotz; to the Committee on Claims.

Also, a bill (H. R. 11033) for the relief of William H. Flag and E. B. Flag; to the Committee on Claims.

By Mr. IGOE: A bill (H. R. 11034) granting an increase of pension to Peter P. Faller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11035) granting an increase of pension to Robison D. Maus; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11036) to correct the military record of Second Lieut. Van Buren S. Reber; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H. R. 11037) granting a pension to Frank Scott; to the Committee on Pensions.

By Mr. KINCHELOE: A bill (H. R. 11038) granting a pension to Margaret Bruce; to the Committee on Invalid Pensions.

By Mr. MANN of Illinois: A bill (H. R. 11039) granting a pension to Martha J. Kain; to the Committee on Invalid Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 11040) granting a pension to Janie L. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11041) granting a pension to Elizabeth J. Montague; to the Committee on Pensions.

By Mr. RICKETTS: A bill (H. R. 11042) granting an increase of pension to Dell W. Stinchcomb; to the Committee on Pensions.

By Mr. SMITHWICK: A bill (H. R. 11043) granting an increase of pension to Mary Brown; to the Committee on Pensions.

By Mr. STINESS: A bill (H. R. 11044) granting an increase of pension to Robert Niven; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 11045) for the relief of James A. Bennett; to the Committee on the Public Lands.

By Mr. THOMAS: A bill (H. R. 11046) granting a pension to Jacob R. Moore; to the Committee on Pensions.

Also, a bill (H. R. 11047) for the relief of the heirs of Phlegmon W. Willis; to the Committee on War Claims.

By Mr. WELTY: A bill (H. R. 11048) granting a pension to Louis Mikolajewski; to the Committee on Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 11049) for the relief of Crawford Miller; to the Committee on Claims.

Also, a bill (H. R. 11050) granting an increase of pension to Salathiel K. Wise; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

181. By the SPEAKER (by request): Petition of Order of United American Men, urging deportation of all aliens who do not announce their intention of becoming citizens; to the Committee on Immigration and Naturalization.

182. Also (by request), petition of First National Labor Party Convention and other citizens, regarding strike situation and the right of laboring men to strike; to the Committee on the Judiciary.

183. By Mr. BACHARACH: Petition of Branch No. 110, Glass Bottle Blowers Association, of Cape May County, N. J., opposing Cummins bill; to the Committee on Interstate and Foreign Commerce.

184. By Mr. CANNON: Petition of sundry citizens of Illinois, regarding strike conditions; to the Committee on the Judiciary.

185. By Mr. CAREW: Petition of Union of Technical Men, opposing Cummins bill; to the Committee on Interstate and Foreign Commerce.

186. Also, petition of Brooklyn Coal Exchange, urging relief from present condition of settling damages in the transportation of coal; to the Committee on Interstate and Foreign Commerce.

187. Also, petition of The Bronx Board of Trade, for suppression of radical elements; to the Committee on the Judiciary.

188. By Mr. COLE: Petition of Marion Lodge No. 708, Amalgamated Sheet Metal Workers; Marion Lodge No. 336, International Brotherhood of Boilermakers; Marion Lodge No. 1059, International Association of Machinists; Marion Lodge No. 367, International Brotherhood of Blacksmiths, all of Marion, Ohio; and Galion Lodge No. 486, Brotherhood of Blacksmiths and Helpers, asking support of House bill 10367; to the Committee on Interstate and Foreign Commerce.

189. By Mr. CULLEN: Petition of National Camp, Patriotic Order Sons of America, concerning remedy for the high cost of living; to the Committee on Military Affairs.

190. Also, petition of National Camp, Patriotic Order Sons of America, regarding Mexican situation; to the Committee on Foreign Affairs.

191. By Mr. ELSTON: Petition of Alameda Lodge No. 1015, Benevolent and Protective Order of Elks, condemning promulgation of anarchistic propaganda in the United States; to the Committee on the Judiciary.

192. By Mr. EMERSON: Petition of sundry citizens of Cleveland, Ohio, protesting against persecution of Jews in Ukraine; to the Committee on Foreign Affairs.

193. Also, petition of L. T. Boydston Post, 89, American Legion, urging legislation to protect citizens against radical elements; to the Committee on the Judiciary.

194. By Mr. FULLER of Illinois. Petition of R. S. Bacon Veneer Co., of Chicago, Ill., favoring turning over to the Boy Scouts the equipment of the Army; to the Committee on Military Affairs.

195. Also, petition of National Camp, Patriotic Order Sons of America, regarding Mexican situation; to the Committee on Military Affairs.

196. Also, petition of William B. Archer Post, No. 119, Department of Illinois, Grand Army of the Republic, urging passage of House bill 9369; to the Committee on Invalid Pensions.

197. By Mr. GALLIVAN: Petition of Tipperary Association, of Boston, Mass., urging passage of House bill 3404; to the Committee on Foreign Affairs.

198. Also, petition of sundry citizens of Boston and South Boston, Mass., protesting against invasion and devastation of Lithuania; to the Committee on Foreign Affairs.

199. Also, petition of executive committee of the Associated Industries of Massachusetts, favoring legislation to apprehend any citizens engaged in circulating disloyal propaganda; to the Committee on the Judiciary.

200. By Mr. JOHNSTON of New York: Petition of Order of Sleeping Car Conductors, regarding railroad legislation; to the Committee on Interstate and Foreign Commerce.

201. Also, petition of sundry citizens, favoring six months' pay for soldiers, sailors, and marines who took part in the Great War; to the Committee on Military Affairs.

202. By Mr. KETTNER: Petition of teachers of Orange Union High School, Orange, Calif., favoring Smith-Towner educational bill; to the Committee on Education.



203. Also, petition of teachers of Orange County, Calif., favoring Smith-Towner educational bill; to the Committee on Education.

204. By Mr. LINTHICUM: Petition of sundry citizens of Baltimore, Md., and sundry members of Monumental Lodge, No. 567, of Baltimore, Md., opposing Cummins antistrike bill; to the Committee on Interstate and Foreign Commerce.

205. Also, petition of United Brotherhood of Carpenters and Joiners of America, Local Union No. 318, opposing Cummins bill; to the Committee on Interstate and Foreign Commerce.

206. Also, petition of D. MacCalman, favoring increase in pay and allowances to Army, Navy, Marine Corps, and Public Health Service; to the Committee on Military Affairs.

207. Also, petition of Frank A. Perlman, favoring Royal C. Johnson bill relative to back pay to soldiers, sailors, and marines; to the Committee on Military Affairs.

208. Also, petition of Anna B. Thomas, of Baltimore, Md., opposing compulsory military training; to the Committee on Military Affairs.

209. By Mr. LONERGAN: Petition of Thomas Ashe Branch of Friends of Irish Freedom, urging appointment of a minister or consul to the Republic of Ireland; to the Committee on Foreign Affairs.

210. By Mr. McLAUGHLIN of Nebraska: Petition of the Beatrice Rotary Club, urging an immediate and permanent settlement of the differences between the miners and operators of bituminous coal to the end that a long-suffering public may be relieved of the present disastrous conditions; to the Committee on the Judiciary.

211. By Mr. O'CONNELL: Petition of National Camp, Patriotic Order Sons of America, regarding remedy for reducing the high cost of living and the Mexican situation; to the Committee on Military Affairs.

212. Also, petition of Order of Sleeping Car Conductors, New York, N. Y., concerning railroad legislation; to the Committee on Interstate and Foreign Commerce.

213. Also, petition of Abraham Lincoln Branch, Friends of Irish Freedom, indorsing House bill 3404; to the Committee on Foreign Affairs.

214. By Mr. RAKER: Petition of Amapola Parlor, No. 80, Native Daughters of the Golden West, of Sutter Creek, Calif., relating to immigration from Asia; to the Committee on Immigration and Naturalization.

215. Also, petition of Women's Auxiliary, Post Office Clerks, Los Angeles, Calif., urging passage of resolution providing that before 6 a. m. and after 6 p. m. 45 minutes shall constitute an hour's work in the Post Office Department; to the Committee on the Post Office and Post Roads.

216. By Mr. TINKHAM: Petition of executive committee of the Associated Industries of Massachusetts, urging legislation to apprehend all persons circulating seditious propaganda; to the Committee on the Judiciary.

217. Also, petition of Tipperary Association, of Boston, Mass., urging passage of House bill 3404; to the Committee on Foreign Affairs.

218. By Mr. VARE: Petition of National Camp, Patriotic Order Sons of America, demanding United States rights in Mexico and on border; to the Committee on Foreign Affairs.

## SENATE.

WEDNESDAY, December 10, 1919.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we sincerely desire to follow the guidance of Divine Providence in the building of this great Nation that Thou has committed to our care. We desire through it to glorify Thy name and to advance the interests of all the people. We bow reverently before Thee asking Thee for all those spiritual qualities of heart and mind that will thoroughly prepare us for the mighty task Thou has committed to our hands. Bless Thy servants in the Senate to-day. For Christ's sake. Amen.

ANDRIEUS A. JONES, a Senator from the State of New Mexico, appeared in his seat to-day.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chamberlain	Elkins	Hale
Ball	Colt	Fernald	Harrison
Beckham	Culberson	France	Johnson, S. Dak.
Calder	Cummins	Frelinghuysen	Jones, Wash.
Capper	Dial	Gay	Keyes

Kirby  
La Follette  
McKellar  
McNary  
Nelson

Norris  
Overman  
Page  
Phipps  
Ransdell

Sheppard  
Sherman  
Smith, S. C.  
Spencer  
Sterling

Thomas  
Trammell  
Warren  
Wolcott

The VICE PRESIDENT. Thirty-nine Senators have answered the roll call. There is no quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. KNOX, Mr. MOSES, Mr. POMERENE, Mr. SMITH of Maryland, Mr. WADSWORTH, and Mr. WILLIAMS answered to their names when called.

Mr. LODGE, Mr. JOHNSON of California, Mr. BANKHEAD, Mr. WALSH of Montana, Mr. KING, Mr. BRANDEGEE, Mr. BORAH, Mr. McLEAN, Mr. UNDERWOOD, and Mr. HARDING entered the Chamber and answered to their names.

Mr. LODGE. I wish to announce the necessary absence in the Committee on Finance of the Senator from Kansas [Mr. CURTIS], the Senator from West Virginia [Mr. SUTHERLAND], and the Senator from Idaho [Mr. NUGENT].

Mr. WALSH of Montana. I wish to announce that the Senator from Nevada [Mr. PITTMAN] is detained by serious illness in his family.

Mr. SHEPPARD. The Senator from Virginia [Mr. SWANSON] is detained on account of illness in his family.

Mr. McKELLAR. I desire to announce that the Senator from Nebraska [Mr. HIRCHCOCK], the Senator from Montana [Mr. MYERS], the Senator from Idaho [Mr. NUGENT], the Senator from North Carolina [Mr. SIMMONS], the Senator from Maryland [Mr. SMITH], and the Senator from Kentucky [Mr. STANLEY] are detained on official business.

I wish also to announce that the Senator from Florida [Mr. FLETCHER] and the Senator from Georgia [Mr. SMITH] are detained from the Senate on public business.

The VICE PRESIDENT. Fifty-six Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the last legislative day.

The Secretary proceeded to read the Journal of the proceedings of the legislative day of Monday, December 8, 1919, and was interrupted by

Mr. TRAMMELL. I ask unanimous consent that the further reading of the Journal be dispensed with.

Mr. GAY. I object. Let it be read.

The VICE PRESIDENT. The Secretary will continue the reading.

The Secretary resumed the reading of the Journal, and was interrupted by

Mr. LODGE. I ask that the further reading of the Journal be dispensed with.

The VICE PRESIDENT. That request was made once and objection was made. Is there further objection?

Mr. GAY. I object.

The Secretary resumed and concluded the reading of the Journal, and it was approved.

### ENDOWMENT OF AGRICULTURAL COLLEGES (H. DOC. NO. 495).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, transmitting, pursuant to law, a report of the disbursements for the fiscal year ending June 30, 1920, made in the States and Territories under the provisions of that act and of an act of Congress approved March 4, 1907, providing for an increase in the annual appropriations for the colleges of agriculture and mechanic arts, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

### TRAVEL EXPENSES OF GENERAL LAND OFFICE (H. DOC. NO. 500).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior transmitting, pursuant to law, a report from the Commissioner of the General Land Office showing the traveling expenses incurred in detaching employees from the office of the Surveyor General to another, etc., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

### MISCELLANEOUS EXPENSES, DEPARTMENT OF AGRICULTURE (H. DOC. NO. 498).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture transmitting, pursuant to law, a detailed statement of the manner in which the appropriation "Miscellaneous expenses, Department of Agriculture, 1919," has been expended, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

### EXPENDITURES UNDER FOOD CONTROL ACT (H. DOC. NO. 501).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture transmitting, pursuant to law, a detailed report of expenditures under the act of